UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED

E/ECA/UNCTC/25
3 October 1984

Original: ENGLISH

ECONOMIC COMMISION FOR AFRICA
ECA/UNCTC Joint Unit on
Transnational Corporations

LC/NAIROBI

TRANSNATIONAL CORPORATIONS IN AGRICULTURAL FOOD PROCESSING INDUSTRIES OF SELECTED AFRICAN COUNTRIES*

* This paper was prepared by a consultant to ECA. The views expressed herein are those of the Author and do not necessarily represent the views of this organization.

TABLE OF CONTENTS

		Paras	Page
I.	INTRODUCTION	1-14	1-4
II.	TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRIES OF AFRICA	15-20	5-9
	A. Sectoral Distribution	15-18	5-6
	B. Diversification across sectors	19-20	9
III.	TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRY OF KENYA	21-214	10-109
	A. Role of foods and beverages in external trade	21-36	10-19
	1. Primary and processed categories	24-25	10
	2. Main items of external transaction	25-36	12-19
	B. Profile of food and beverage processing	37-70	19-31
	1. Dairy (Kenya Co-operative Creameries	37-42	19-21
	2. Fruits and vegetables	43	21
	3. Cereals (National Cereals and Produce Board)	44-48	22-23
	4. Sugar	49-54	23-25
	5. Tea (Kenya Tea Development Authority)	55-66	25-29
	6. Coffee	67-70	29-31
	C. Involvement of transnational corporations	71-147	32-73
	1. Distribution among sub-sectors	73-129	35-59
	(a) Meat	77-78	36
	(b) Dairy	80-81	37
	(c) Fruits and vegetables	82-85	37-39
	(i) Kenya Canners (Del Monte Corporation)	86-88	39-40
	(ii) Campaign for upstream integration	89-91	40-41
	(iii) Framework for transfer pricing	92-95	41-42
	(d) Vegetable and animal oils and fats	96-99	45-46
	(e) Cereal-based products	100-101	46-47
	(f) Sugar and confectionery	102-104	47-48
	(g) Tea	105-126	48-58
	(i) Estate companies	106-112	49-53
	(ii) Brook Bond Leibig	113-119	53-55
	(a) Initial entry and subsequent integration	114-117	53-54
	(b) Divestiture of marketing interest	118-119	55
	(iii) Other estate companies	120-123	55-57
	(iv) Interplay between estate companies and smallholdings	124-126	57-58

	Paras	Page
(h) Beverages	127-128	58-59
2. Pattern of diversification	129-132	59-62
(a) Diversification within foods and beverages	130-131	61
(b) Activities outside foods	132	61-62
3. Ownership control	133-146	62-73
(a) Holding of parent companies	134-137	63-66
(b) Pattern of ownership preference	138-140	66-67
(c) Local equity participation	141-146	67-73
IV. TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRY OF ZIMBABWE	147-213	74-109
A. Economic structure of Zimbabwe	147-152	74-76
1. Agriculture	147	74
2. Industry	148	74
3. Mining and construction	149-150	76
4. Manufacturing	151-152	76
B. Role of foods and beverages in external trade	153-156	76-79
C. Profile of food and beverage processing	157-169	79-83
1. Significance as manufacturing activity	157-160	79-80
2. Internal structure	161-169	80-83
D. Involvement of transnational corporations	170-214	83-109
1. Distribution among sub-sectors	172-173	84-89
2. Product diversification	174-177	89-91
3. Product differentiation	178-184	91-94
4. Vertical integration	185-190	94-98
5. Ownership control	191-200	98-105
(a) Parent company holdings	193-195	98-103
(b) Transnational investment company holdings	196-200	103-105
6. Royalties and head office charge	201-207	105-106
7. National origin	208-213	106-108
V. FOREIGN ELEMENTS IN THE FOOD INDUSTRY OF SUDAN	214-300	110-146
A. Economic structure	214-224	110-114
1. Agriculture	214-220	110-112
2. Industry	221-224	112-114
(a) Mining and construction	222	112
(b) Manufacturing	223-224	112-114
B. Role of foods and beverages in external trade	225-226	114-115
C. Profile of food and beverage processing	227-228	115-117
1. Economic significance	227-228	115-117
2. Important sectors	229-252	117-128
3. Other "spheres" of food processing	253-264	128-131
4. Government role in the food industry	265-267	131-132

	Paras	Page
D. Foreign elements	268-296	132-143
1. Joint ventures with Arab countries	268-296	132-143
(a) Kenana Sugar Company	270-282	133-136
(i) Project components	271	133
(a) Irrigation	272-273	134
(b) Plantation	274-275	134-135
(c) Factory	276	135
(d) Contribution to employment	277-278	135
(e) Linkage effect	279-280	136
(f) Sugar distribution	281-282	136
(ii) Ownership distribution	283-289	137-139
(b) Arab Authority for Agricultural Investment and Development	290-297	139-143
(i) The perspective plan	292-	140-142
(ii) Projects involving food production and processing	293-297	142-143
2. Involvement of transnational corporations	298-300	144
VI. SUMMARY AND CONCLUSION	301-386	147-168
A. Kenya	303-337	147-156
B. Zimbabwe	338-368	157-164
C. Sudan	369-386	164-168

LIST OF TABLES

Table	Title	Page
1	Sectoral Distribution of Transnational Corporation in the Food and Beverage Processing Industry of African Countries	7-8
2	Structure of Kenya External Trade in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption 1972-78	13-14
3	Relative Annual Change of Kenya External Trade in Food and Beverage by Broad Categories of Aggregate Industrial Use and Household Consumption 1972-78	16-17
4	Structure of Kenya External Trade in Foods and Beverages by Type and Principal Commodities 1972-78	18
5	Payments made to Smallholders Registered with Kenya Tea Development Authority for Green Leaf Delivered 1971-1980	30
6	Affiliated of Transnational Corporations in the Food and Beverage Processing Industry of Kenya	33-34
7	Transnational Corporations in Food and Beverage Processing with Involvement in Food Export	43-44
8	Performance of the Kenya Tea Sector in Terms of Planted Area and Production, 1968-1980	50
9	Structure of the Kenya Tea Industry in Terms of Planted Area and Production, 1963-1980	52
10	Diversification within Food and Beverage Processing by Affiliates of Transnational Corporations in Kenya	60
11	Ownership Distribution Between Foreign and Local Interests of TNC Affiliated Companies Operating in the Food and Beverage Processing Sector of Kenya	64-65
12	Affiliated of Transnational Corporations whose Securities are included in the Investment Portfolio of Kenya Government, 1979	69-70

LIST OF TABLES (continued)

Table	Title	Page
13	Structure of Zimbabwe Industry, 1970-1978	75
14	Structure of Zimbabwe External Trade in Processed Foods and Beverages, 1975-78	77
15	Structure of Zimbabwe Food and Beverage Processing, 1970-78	81
16	Affiliates of Transnational Corporations in the Food and Beverage Processing Industry of Zimbabwe	85-87
17	Practices of Product Diversification and Differentiation by Food and Beverage Processing Transnational Corporations with Zimbabwe Affiliates	90
18	Transnational Corporations Engaged in the Production of Primary Food Commodities in Zimbabwe	95
19	Phases of TNC Involvement in the Food Industry of Zimbabwe	97
20	Ownership Distribution of TNC Affiliates Operating in Food and Beverage Manufacturing in Zimbabwe	99-100
21	Affiliates of TNCs in Food and Beverage Processing whose stocks are included in the Portfolio of Securities Managed by Transnational Financial Institutions	104
22	Economic Structure of Sudan in Terms of Gross Domestic Product, 1970-1979	113
23	Share of Sudan in World Production and Export of Oil Seeds, 1974-1977	116
24	Structure of Agricultural and Industrial Sectors of Sudanese Economy, 1978	118
25	Structure of Consumption Expenditure on Foods and Beverages by Households in Sudan, 1978	119
26	Production, Import, and Consumption of Wheat in Sudan, 1970-1979	123

LIST OF TABLES (continued)

Table	Title	Page
27	Production, Import and Consumption of Sugar in Sudan, 1970-1980	127
28	Ownership Distribution of Kenana Sugar Company	138
29	Arab Authority for Agricultural Investment and Development Distribution of Subscribed Capital Among Contracting States	141
30	The Involvement of Transnational Corporation in the Food Sector of Sudan	145-146

Table	Title	Page
	Appendix I	
I-1	External Trade of Kenya in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption, 1972-1978	1-2
I-2	External Trade of Kenya in Foods and Beverages by type of Principal Commodities, 1972-78	3-6
I-3	Kenya Companies involved in the export of Foods and Beverages by Type of Commodity	7-15
I-4	Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya	16-23
I-5	Partial List of Brands of Foods and Beverages Manufactured by Affiliates of Transnational Corporations Based in Kenya	24-26
I-6	Tea Factories Owned by Brooke Bond Kenya Ltd.	27
I-7	Kenya Companies Managed by James Finlay and Co. Ltd.	28
I-8	Kenya Companies Managed by George Williamson Ltd.	29
I-9	Tea Factory Companies Owned by the Kenya Tea Development Authority	30
I-10	Kenya Tea Industry, 1968-80	31
	Appendix II	
II-1	Zimbabwe Food and Beverage Processing Industry: Net Investment, 1970-78	32
II-2	Zimbabwe Food and Beverage Processing Industry: Employment, 1970-78	33
II-3	Zimbabwe Food and Beverage Processing Industry: Royalties, 1970-78	34
II-4	Zimbabwe Food and Beverage Processing Industry: Head Office Charge, 1970-78	35

Appendix II (continued)

Table	Title	Page
II-5	Zimbabwe Food and Beverage Processing Industry: Advertising Expense, 1970-78	36
II-6	Zimbabwe Food and Beverage Processing Industry: Payment for Services, 1970-78	37
II-7	Zimbabwe Food and Beverage Processing Industry: Wages and Salaries, 1970-78	38
II-8	Zimbabwe Food and Beverage Processing Industry: Net Output, 1970-78	39
II-9	Zimbabwe Food and Beverage Processing Industry: Purchases, 1970-78	40
II-10	Zimbabwe Food and Beverage Processing Industry: Gross Output, 1970-78	41
II-11	External Trade of Zimbabwe in Primary Food Commodities Including Live Animals	42-52
II-12	Foreign and Local Companies Engaged in Food and Beverage Processing in Zimbabwe	53-59
II-13	Brands of Foods and Beverages Manufactured by Affiliates of Transnational Corporations Based in Zimbabwe	60-65

Appendix III

III-1	Structure of Agricultural and Industrial Sectors of Sudanese Economy, 1978	66
III-2	Internal Structure of Agricultural and Industrial Sectors of Sudanese Economy, 1978	67
III-3	Principal Food Commodities Exported from Sudan, 1970-79	68
III-4	Structure of Principal Export from Sudan, 1974-78	69
III-5	Principal of Food Imports of Sudan, 1970-79	70

CHAPTER I

INTRODUCTION

1. Almost a decade has passed since the United Nations Organizations embarked on an institutionalized and systematic campaign to explore the influence of transnational corporations on world economic order, with the view ultimately to assisting most developing countries make informed decisions in their unavoidable dealings with these uniquitous and powerful global concerns. To this effect, the United Nations Centre on Transnational Corporations, in collaboration with regional commissions, is sponsoring a number of research projects covering detailed case studies about transnational company involvement in selected industries and countries. This study is one of a modest kind.

2. The objective of this paper is to investigate - as much as resources permit -- the involvement of transnational corporations in the food and beverage processing industries of Kenya, Zimbabwe and Sudan, hereinafter designated as the reference countries. The conceptual framework employed in addressing h the issue and ensuring organization of the study are broadly outlined below.

3. In food and beverage processing agricultural inputs are converted to industrial output. Hence, a hyphenated designation of the food processing activity as agro-industry. Food and beverage manufacturing form an area of vital interplay between agriculture and industry. The structure of the economy in terms of agriculture and industry, coupled with the latters' own internal arrangements, convey significant implications about the role of food manufacturing as a categorial economic activity.

4. An interesting case of the dynamic interplay between the whole and one of its parts is best exemplified in an aspect of the relationship between industrialization and food manufacturing. Urban-cum-industrial societies, including those in developing countries, are distinguished, amongst other things, by their substantial dependence on specialized economic organizations for food supply. In sharp contrast, rural and agricultural societies

are characterized by a high level of self-reliance or self-provisioning in matters of food. Changes in demographic structure toward greater urbanization and in the structure of labour force toward more industrial labour, shifts in the whole economic structure in favour of increased industrialization - all of these different superstructural perspectives of the same underlying phenomenon are indicators of the growing role of food manufacturing in an economy.

5. The share of food and beverage exports and imports in aggregate foreign trade is an economic category of inferential value about another dimension of food processing and the role of foreign companies in the sphere.

6. The general design of this inquiry into the role of transnational corporations in food manufacturing is to examine both transnational corporations in relation to the particular industry in which they are operating, and the food industry in relation to the broader economic setting including external trade.

7. Five parts follow the introduction in this paper. The first part sets the continental background to the study. In this portion, a sub-set of sixty transnational corporations with African connexion - among the two hundred fifty covered in a recent study by the Centre on Transnational Corporations - are identified and examined, both individually and collectively in terms of the number of parents and affiliates operating in different lines of food and beverage manufacturing and of sub-sectors in which they are represented, within the framework of the International Standard of Industrial Classification (ISIC) at the level of four digits.[1/]

1/ All the data of the first chapter are credited to United Nations Centre on Transnational Corporations, "Transnational Corporations in Food and Beverage Processing" (ST/CTC/19), pp. 173- 3. The analysis is based on data organized into information set forth in Table 1. Unfortunately, the source documet does not provide details about the distribution of the sixty transnational corporations among host African and West Asian countries.

8. The three subsequent parts are devoted to a systematic and detailed country-by-country review of the role of transnational corporations in food and beverage manufacturing. Every chapter on individual countries contains four sections: the first three deal with background topics, while the last and detailed portion is reserved for the central subject. At the sectional level of organization, the last three chapters share a common internal structure and reflect the general strategy used in surveying each reference country.

9. In section A, the broad economic setting of the reference countries is briefly described. The economic structure of each country is considered with reference to agricultural and industrial activities, followed by a scrutiny of the internal structure of industry. In the context of this paper, industry is defined as mining and quarrying, construction, and manufacturing. The study of Kenya, however, does not include this introductory presentation.

10. In Section B, external trade is briefly discussed with particular reference to foreign transactions in food and beverage products. The emphasis here is on appraisal of the relative share of food and beverage products in aggregate foreign trade and the internal structure of food exports and imports.

11. Section C the paper progresses towards an examination of the food industry. The coverage here includes evaluation of the significance of food manufacturing as a component of total manufacturing activity, identification of outstanding sub-sectors of food processing and evaluation of the internal structure.[2/]

2/ The two compelling reasons for the differences are the uniqueness of the development of the food industry in each economic environment and differences in the general state of information, including availability, accessibility and published disclosure.

1. Section D focusses on the involvement of transnational corporations in food and beverage processing. Initially, transnational parent companies and affiliates are comprehensively identified, and their distribution across the standard fifteen sub-sectors (according to four-digit ISIC) of food and beverage processing are examined. This is followed by topical issues often raised in association with the activities and conduct of these companies in host developing countries, notably, product diversification and differentiation, vertical integration, forms of equity and non-equity paticipation and market power.[3/] These questions are selectively posed with reference to significant foreign affiliated companies and outstanding sectors of food manufacturing.

13. The last part of the study offers country-by-country summaries and conclusions.

14. Diverse published sources were consulted in producing this paper, chief among which are statistical abstracts and reviews of pertinent economic sectors, directory of industries, census of industrial production, manufacturers' association, buyers' guide, chambers of commerce, investment guide, export directory, annual reports and national development plans. The sections on the activities of transnational corporations draw heavily from Swainson for Kenya and Clarke and Stoneman for Zimbabwe.[4/]

3/ Refer to United Nations Centre on Transnational Corporations, "Transnational Corporations in Food and Beverage Processing", pp. 1-17, and Economic Commission for Africa, "Transnational Corporations in Export-Oriented Primary Commodities: A General Conceptual Framework for Case Studies" (Working Paper No. 1, December 4, 1979).

4/ Nicola Swainson, The Development of Corporate Capitalism Kenya: 1918-1977 (Nairobi, Heineman, 1980); D. G. Clarke, Foreign Companies and International Investment in Zimbabwe (Gwelo, Mambo Press, 1980); and C. Stoneman, "Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order (UNCTAD/MFD/19), pp. 413-540.

CHAPTER II

TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRIES OF AFRICA

A. Sectoral Distribution

15. A recent study by the United Nations Centre on TNCs, in which two hundred fifty leading transnational companies from the food and beverage processing industries are covered -- outside centrally planned economies-identifies about sixty of them as having affiliates in Africa.[5/] The activities of this group of transnational companies are summarized in Table One. Between them, these corporations own or control, wholly or partially, about two hundred and thirty affiliates in the fifteen sub-sectors composing the food and beverage processing industry.[6/] Such a linear summation of affiliates does not make proper allowance for proxy participation, whereby one transnational corporation processess the product line of another, with the bilateral arrangement between two TNCs counting for a single involvement.[7/]

5/ These figures are based on the recent report by UNCTC, "Transnational Corporations in Food and Beverage Processing" (ST/CTC/19), 1981. The figure of sixty includes those transnational corporations in food and beverage processing with affiliates in West Africa.

6/ The fiteen sub-sectors of food and beverage processing industry are based on enumeration at the four-digit level of the International Standard of Industrial Classification (ISIC).

7/ For example, Cadbury Schweppes bottles Pepsi Cola in Zimbabwe under a licensing arrangement with Pepsi Cola with the involvement of the latter eclipsed by the former.

16. The average number of affiliates per parent corporation is 3.77 ranging from one affiliate for thirty eight per cent of the cases to twenty-four and twenty-five affiliates for Unilever and Nestle, respectively. Ten parent companies account for more than fifty per cent of all affiliates operating in the region and include Nestle (25), Unilever (4), Brooke Bond Liebig (14), Grands Moulins de Paris (11), Spillers (10), Reckitt and Coleman (9), Arthur Guinness (8), Heineken (8), Grand Metropolitan (8), and Cadbury Schweppes (7).[8/]

17. For the fifteen sub-sectors of the food and beverage processing industry, aggregate TNC representation runs slightly over one hundred. Their numbers average 6.8 TNCs per sub-sector, ranging from a lone TNC in winery to twelve in beer and malt liquor.[9/] By mere head count, parent TNCs are most visible in the processing of fruits and vegetables (11), fisheries (11), dairy products (9), cereals (9), bakery products (9), confectionery (9), tropical beverages (8), and animal feeds (7).[10/] In terms of the same criterion, they are least active in winery and distillery, with a single foreign company active in each beverage line.

18. On the average, there are 15.33 affiliates in a sub-sector. These vary from a single affiliate for vine to thirty-one for fruits and vegetables. Sub-sectors with ten affiliates or more are beer (30), fisheries ( ), cereals ( ), dairy (0), vegetable oils and fats (17), tropical beverages (17), confectionery (13), meat (1), soft drinks (1), bakery products (11),and animal feeds (10).[11/] Alcoholic beverages other than beer, with a total of six affiliates, are the least crowded sub-sectors.

8/ The figures in parenthesis refer to the number of affiliates associated with the corresponding parent company in the Africa and West Asia Region.

9/ The analyses are based on 1976 figures which are summarized in Table 1. It is interesting to note that the alcoholic beverage sub-sector contains both extremes of TNC over and under-representations in sub-sectors of foods and beverages.

10/ The figures in parentheses indicate the number of TNCs in corresponding sub-sector.

11/ The figures in parentheses indicate the number of affiliates in corresponding sub-sector.

Table 1. Sectoral Distribution of Transnational Corporation in the Food and Beverage Processing Industry of African Countries 1/ (Cont'd)

Parent Company	Sector	Tropical Beverage	Animal Feeds	Spirits	Wine	Malt and Beer	Soft Drinks	Number of Affiliates	Number of Food and Beverage lines
	ISIC No.	3121	3122	3131	3132	3133	3134		
1. Allied Breweries Ltd. (UK)		***	***	***	***	3	***	3	1
2. Arthur Guiness (UK)		***	***	***	***	7	***	8	2
3. Associated British Foods (UK)		***	***	***	***	***	***	1	1
4. Associated Biscuits Mfg. (UK)		***	***	***	***	***	***	1	1
5. Beecham Group Ltd. (UK)		***	***	***	***	***	1	2	2
6. Beghin-Say (FRA)		***	***	***	***	***	***	4	4
7. Berisford Ltd. (S & W)		***	***	***	***	***	***	2	2
8. Booker McConnell (UK)		***	***	***	***	***	***	1	1
9. Borden, Inc. (USA)		***	***	***	***	***	***	1	1
10. Brasseries et Glaciers (FRA)		***	***	***	***	1	***	1	1
11. Brooke Bond Leibig Ltd. (UK)		5	***	***	***	***	***	14	4
12. BSN Gervais Danone (F)		***	***	***	***	1	***	3	3
13. Cadbury Schweppes Ltd. (UK)		***	***	***	***	***	3	7	2
14. Carnation Co. (USA)		***	***	***	***	***	***	1	1
15. Castle and Cooke (UK)		***	***	***	***	***	***	1	1
16. Central Soya Co., Inc. (USA)		***	2	***	***	***	***	2	1
17. Coca Cola Corporation (USA)		***	***	***	***	***	2	2	1
18. Continental Grain Co. (USA)		***	***	***	***	***	***	2	1
19. Coop. Condensfabriek Friesland (NLD)		***	***	***	***	***	***	1	1
20. CPC Ltd. (USA)		***	1	***	***	***	***	3	3
21. Delmonte Corporation (USA)		***	***	***	***	***	***	4	2
22. East Asiatic Co., (DNK)		***	***	***	***	***	***	4	3
23. J. Finlay & Co. Ltd. (UK)		1	***	***	***	***	***	1	1
24. Foremost Mckesson (USA)		***	***	***	***	***	***	2	1
25. General Mills (USA)		***	***	***	***	***	***	1	1
26. Gill and Dufus Group Ltd. (UK)		***	***	***	***	***	***	1	1
27. Grand Metropolitan Ltd. (UK)		***	***	5	1	***	3	8	3
28. Grands Moulines de Paris (FRA)		***	***	***	***	***	***	11	2
29. Heineken (NLD)		***	***	***	***	8	***	6	1
30. Heinz H.J. Co. (USA)		***	***	***	***	***	***	3	2
31. Hershey Food (USA)		***	***	***	***	***	***	1	1
32. Interfood SA (CHE)		***	***	***	***	***	***	1	1
33. Imperial Group Ltd. (UK)		***	***	***	***	1	***	2	2
		***	***	***	***	***	***	1	1

Table 1. Sectoral Distribution of Transnational Corporation in the Food and Beverage Processing Industry of African Countries 1/ (Cont'd)

	Parent Company / Sector	Tropical Beverage	Animal Feeds	Spirits	Wine	Malt and Beer	Soft Drinks	Number of Affiliates	Number of Food and Beverage lines
	ISIC No.	3121	3122	3131	3132	3133	3134		
34.	King Ranch (USA)	***	***	***	***	***	***	1	1
35.	Kyo Kuyo (JPN)	***	***	***	***	***	***	1	1
36.	Labatt (CAN)	***	***	***	***	1	***	1	1
37.	Lesieur CIA Financiers (FRA)	***	***	***	***	***	***	3	1
38.	Lonrho Ltd. (UK)	1	***	***	***	1	***	3	3
39.	J. Lyons & Co. Ltd., (UK)	2	***	***	***	***	***	5	3
40.	Nestle Alimentana SA (CHE)	4	***	***	***	***	***	25	5
41.	Nichiro Gyogyo Kaisha Ltd. (JPN)	***	***	***	***	***	***	3	1
42.	Nipon Suisan Kaisha Ltd. (JPN)	***	***	***	***	***	***	4	1
43.	Norton Simon, Inc. (USA)	***	***	***	***	***	1	2	2
44.	Paul and Whitey (UK)	***	1	***	***	***	***	1	1
45.	Pepsico, Inc. (USA)	***	***	***	***	***	5	5	1
46.	Ralston Purina Co. (USA)	***	***	***	***	***	***	1	1
47.	Reckitt and Coleman (UK)	***	***	***	***	***	***	9	1
48.	Seaboard Allied Milling (USA)	***	***	***	***	***	***	3	1
49.	Spillers Ltd. (UK)	***	2	***	***	***	***	10	4
50.	Standard Brands Inc. (USA)	1	***	***	***	***	***	2	2
51.	Taiyo Fishery Co. Ltd. (JPN)	***	***	***	***	***	***	4	1
52.	Tate & Lyle Ltd. (UK)	***	***	***	***	***	***	3	1
53.	Tiger Oats and General Milling (SAF)	***	***	***	***	***	***	2	1
54.	Unigate Ltd. (UK)	***	***	***	***	***	***	3	1
55.	Unilever Ltd. (UK/NLD)	***	2	***	***	1	***	24	8
56.	Union International Co. (UK)	***	***	***	***	***	***	1	1
57.	Wessanen NV (NLD)	***	1	***	***	***	***	1	1
58.	Warner - Lambert Co. (USA)	***	***	***	***	***	***	1	1
59.	Whitbread & Co. Ltd. (UK)	***	***	***	***	***	***	2	1
60.	Wrigley W.M. Jr. Co. (USA)	***	***	***	***	***	***	1	1
	No. of Affiliates	17	10	1	30	5	12	230	
	No. of Parents	8	7	1	12	1	5	51	
	Affiliate/Parent	2.1	1.4	1	2.5	5	2.4		

B. Diversification across sectors

19. One of the outstanding features of transnational corporations engaged in food and beverage processing is diversification as a growth strategy, both within and outside food and beverage manufacturing industries. About one-third of TNCs with African and West Asian affiliates are diversified into two to eight sub-sectors.[12/]

20. Forty parent companies, making up nearly two-thirds of the set, confine their activities to a single sub-sector. In proportion to the total number of affiliates in respective sub-sectors, TNCs in fisheries (7), sugar (3), confectionery (3) and animal feed (2) tend to stick to their specialities more than the rest. In contrast, parent companies engaged in vegetable oils and fats, tropical beverages, dairy and fruits and vegetables are most disposed to diversification within the food and beverage processing industry. The largest transnational company in food and beverage processing, Unilever, has an average of three affiliates across eight sub-sectors: vegetable oils and fats (12), dairy (4), fruits and vegetables (2), animals feeds (2), and one in each of meat, bakery products, tropical beverages, and beer.[13/] Nestle, with twenty five affiliates spread across five sub-sectors, is a close runner-up. Brook Bond Leibig control fourteen affiliates operating in four different lines of food manufacturing.

12/ In this context, diversification is measured by the number of sub-sector of food and beverage processing in which a transnational corporation is active. Ostensibly, the greater the number of food and beverage lines processed by a company, the higher the level of diversification.

13/ The number in parentheses refer to the number of affiliates in corresponding sub-sector.

CHAPTER III

TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRY OF KENYA

A. Role of foods and beverages in external trade

21. During the period 197 -78, total exports from Kenya amounted to an annual average of 278 million Kenya shillings, increasing at an average annual rate of 2 per cent. Over the same seven years, the level of total imports annually averaged nearly 396 million Kenya shillings, posting an average annual growth rate of 5 per cent. Total imports increased three per centage points faster than total exports. The progressive divergence between amounts of total exports and total imports caused an average annual deficit of about 118 million Kenya shillings in the total balance of trade. During the decade of the 1970's, there was not a single year when the balance of trade was not negative.[14/]

22. Foods and beverages are a very significant and positive component of Kenya's package of external trade, especially as items of export. Between 1972 and 1978 foods consigned to foreign markets, including all categories destined for foreign industries and households in primary or processed forms, amounted to about 14 million Kenya shillings annually and rose at a rate of 7 per cent.[15/] Foods account for nearly fifty per cent of the structure of domestic exports. The average annual value of food imports during the same time frame was a little less than 6 million Kenya shillings, or 18 per cent of the foreign exchange proceeds accruing from such export.[16/]

23. On the aggregate, therefore, Kenya is a net importer of goods: over the sample period of seven years, purchases abroad were nearly one and a half times as much as sales abroad. In comparison, the country is a net exporter of food.

14/ On the basis of computations in Table 3, positive rates of growth on the balance of trade are indicated for the time segment 1974-77. The figures reflect decrease in negative trade balance and not increase in positive trade balance. The analysis in this portion of the paper is based on figures covering 197 -78. Refer to Tables & 3 for details.

15/ Throughout this paper "foods" are used in a broader sense of solid and liquid intake and interchangeably with "foods and beverages".

16/ Whereas the value of total food and beverage imports was a little less than one-sixth of the value of food and beverage exports, the rate of growth of imports was nearly twice as much as that of exports. Refer to Tables 3 & 4.

As a group, the value of food sold abroad was five and a half times as much as the value of food bought abroad. Between 197 and 1978, the balance of trade for foods was categorically a positive annual average of about 116 million Kenya shillings, and it rose steadily, at annual rate of nearly 40 per cent from a low of 43 million Kenya shillings in 197 to a peak of about 90 million in 1978.

1. Primary and processed categories

24. Aggregate figures on external trade in foods are useful for highlighting the general situation but have limited inferential value unless supplemented by analyses of the internal structure. One meaningful way of examining external trade in food is in terms of its primary and processed components as presented in Table . Primary foods make up 85 per cent of Kenya's total food exports and more than 100 per cent of the trade balance from export and import of foods.[17/] The balance of trade external transaction in primary foods increased at annual rate of nearly 40 per cent between 197 and 1978. The relative annual change of external in foods and beverages, by broad categories of aggregate industrial use and household consumption, for the period covering 197 -78, is described in Table 3. Nearly two-thirds of primary food exports are supplied to foreign industries. The value of primary commodities leaving the country is twenty times the value entering the country. For every pound of unprocessed food supplied to its industries Kenya supplies twenty-three pounds to foreign industries.

25. Exported processed foods make up about 15 per cent of total food exports, and those imported 75 per cent of total food imports. A trade surplus on processed food for final consumption is more than off-set by a trade deficit on processed intermediate foods for industries, on the balance making Kenya

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17/ The balance of trade from primary foods as per cent of balance of trade from primary and processed foods exceeds one hundred per cent because the latter is a deficit.

a net importer of processed foods: it imports 10 per cent more processed food than it exports. Imported primary and processed foods are evenly distributed between Kenyan industries and household, but foreign industries absorb 10 per cent more of Kenyan processed and primary foods than foreign households.

3. Main items of external transaction

6. The contribution of beverages and tobacco, as a group of commodities, to aggregate domestic exports of foods, beverages and tobacco from Kenya is less than one half of one per cent. As items of import, on the other hand, beverages and tobacco make up just under 15 per cent of the total value of food, beverage and tobacco imports. Kenya is a net importer of beverages and tobacco: during the period between 1972 and 1978, six times more beverage and tobacco was imported than exported.

Table 2. Structure of Kenya External Trade in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption, 197 -78.[a/]

Category	197 Export	197 Import	197 Trade Balance	1973 Export	1973 Import	1973 Trade Balance
Primary	78.10	5.40	101.89	79.90	31.78	99.64
For industry	4 .93	1 .60	56.6	49.76	.07	61.11
For household consumption	35.17	1 .80	45. 7	30.14	9.70	3?.53
Processed	1.90	74.60	-1.89	0.10	63.	0.36
For industry	1.67	19.9	-6.56	.63	1.5	-5.1
For household consumption	0. 3	54.68	4.67	17.47	46.7	5.48
Primary & Processed	49.03	9.85	-61.69[b/]	4 .99	9.54	-98. [b/]
For industry	44.60	3 .6	50.06	5 .39	43.58	55.99
For household consumption	55.40	67.48	49.94	47.61	56.4	44.01

Category	1974 Export	1974 Import	1974 Trade Balance	1975 Export	1975 Import	1975 Trade Balance
Primary	81.09	18.41	108.71	8 .11	30.89	100.07
For industry	48.83	10.45	65.75	44.01	.03	51.73
For household consumption	3 . 5	7.96	4 .98	38.10	8.87	48.34
Processed	18.91	81.59	-6.7	17.89	69.11	-0.07
For industry	.74	30.74	-9.61	.91	41.7	-10.70
For household consumption	16.17	50.85	0.88	14.48	7.38	10.63
Primary & Processed	36. 9	6.61	-37.16[b/]	35.78	5.90	-46.15[b/]
For industry	51.57	41.19	56.14	46.9	63.75	41.03
For household consumption	48.43	58.81	43.86	53.08	16. 5	58.97

Category	1976 Export	1976 Import	1976 Trade Balance	1977 Export	1977 Import	1977 Trade Balance
Primary	85.14	10.59	99.86	91.77	18.13	98.80
For industry	60.11	1.49	71.67	65.46	10.54	70.70
For household consumption	5.03	0.09	8.18	6.31	7.59	8.10
Processed	14.86	89.41	0.14	8. 3	81.87	1. 0
For industry	1.76	43. 6	-6.43	0.67	53.07	-4.33
For household consumption	13.10	46.16	6.58	7.56	8.80	5.53
Primary & Processed	47.58	6.46	-186.13	65.61	5.17	-561.94
For industry	61.87	44.75	65. 4	66.13	63.61	66.37
For household consumption	38.13	55. 5	34.76	33.87	36.39	33.63

Table 2 Structure of Kenya External Trade in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption, 197 -78. a/ (contd.)

	1976			197 -78		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Primary	91.11	30.46	104.14	84.17	3.67	101.88
For industry	57.89	18.8	66. 9	5 .71	14.60	63.41
For household consumption	33.	11.65	37.85	31.46	9.67	38.46
Processed	8.89	69.54	-4.14	15.83	76.33	-1.87
For industry	0.33	43.98	-9.06	1.8	36.31	-7.40
For household consumption	8.56	5.55	4.91	14.01	40.0	5.53
Primary & Processed	58.84	5.8	-61.54 b/	48.0	7.05	-150.40
For industry	58.	6 .80	57. 3	54.53	50.31	56.01
For household consumption	41.78	37. 0	4 .77	45.47	49.69	43.99

Source: Computed from Table I-1 in the appendices

a/ Export, imports and trade balances of primary and processed foods and beverages are expressed as per cent of total exports, total imports and total trade balance. All other items are per cent of total primary and processed foods and beverages.

b/ Trade balances of primary and processed foods and beverages as per cent of total trade balance are negative as a result of negative aggregate trade balance.

7. Associated trade deficit is more than 3 per cent (KSh. 3.65 million) of the net foreign exchange flows deriving from external markets for food commodities. Beverages and tobacco are the third highest ranking items of import, nearly all of both in processed form.

8. The structure of Kenya's external trade in foods and beverages by type of principal commodities for the period covering 197 -78 is summarized in Table 4.

9. Food accounts for 99 per cent of the export, 86 per cent of the import, and more than 100 per cent of the trade balance in the external trade of Kenya in foods, beverages and toabacco.[18/] Tropical beverages (coffee and tea exclusively), fruits and vegetables and meat are the most important items of food export. The three account for more than 90 per cent of the total food f.o.b. value and nearly 110 per cent of the trade balance.

30. Tea and coffee together contribute more than 80 per cent to food exports, 55 per cent of which comes from coffee. As the leading export item from Kenya, nearly all coffee sold outside is in primary unroasted form. Coffee constitutes about two thirds of all food commodities exported in primary form.

31. Tea is the second most important source of foreign currency. About one quarter of external revenue from food sales is obtained from tea.[19/] Domestic consumption of tea amounts to 15 per cent of domestic output and 5 per cent of aggregate food import.

3 . The relative share of meat, fruits and vegetable is more than 10 per cent of total food exports and just under 15 per cent of the trade balance. More than 90 per cent of meat is exported in processed form.

18/ The difference between actual value of 103.14 per cent for all foods and normal value of 100 per cent is exactly equal to the percentage value of trade deficit from beverages and tobacco. Refer to Table 4 and I-2 for details.

19/ Kenya ranks third in the world among tea exporting countries: about 85 per cent of the country's tea output is exported.

Table 3. Relative Annual Change of Kenya External Trade in Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption, 197 -78

Category	197 /73			1973/74		
	% Export	% Import	Trade % Balance	% Export	% Import	Trade % Balance
Primary	.39	40.01	0.41	1 .38	3 .60	18. 5
For industry	38.67	90. 4	3 .90	8.69	44.90	16.63
For household Consumption	.53	-15.	4.79	19.01	4.49	0.04
Processed	9.79	.3	-1 3.31	4.17	39. 4-	54 .11
For industry	87.44	0.86	-3.85	15.48	66.33	-103.1
For household consumption	3.34	-4.4	44.37	.47	6.74	-8 .45
Primary and Processed	19.63	11.90	3.1	10.73	16.4	8.39
For industry	40.50	50.0	37.71	8.98	10.01	8.65
For household consumption	.83	-6.46	8.49	1 .65	1.37	8.07
Total	36.43	1.03	- .67	31.16	67.96	186.54

	1974/75			1975/76		
	% Export	% Import	Trade % Balance	% Export	% Import	Trade % Balance
Primary	0.50	41.37	-2.53	100.77	-57.84	117.14
For industry	-10.54	77.54	- 16.71	164.42	-91.68	202.65
For household consumption	17.17	-6.13	19.08	27.23	59.12	539.53
Processed	6.11	-20.65	20.14	69.86	59.42	539.53
For industry	5.27	14.34	-18.06	17.12	27.50	31.30
For household consumption	-9.04	-54.63	1169.47	69.35	197.29	35.09
Primary and Processed	-30.59	-15.76	5.88	93.63	22.98	118.40
For industry	-9.66	30.27	-22.50	153.30	113.68	122.96
For household consumption	8.76	-49.41	43.11	39.1	192.40	27.99
Total	0.70	-5.55	14.75	45.69	12.25	45.25

Table 3. Relative Annual Change of Kenya External Trade in Foods and Beverages by Broad Categories of Aggregate Industrial use and Household Consumption 1977-78 (cont'd)

Category	1976/77			1977/78		
	% Export	% Import	Trade % Balance	% Export	% Import	Trade % Balance
Primary	112.81	78.64	113.53	-31.41	135.66	-34.33
For industry	115.0	636.39	112.87	-38.41	150.35	-41.59
For household consumption	107.53	-1 .95	115. 0	-1 .77	115. 7	-16.07
Processed	9.40	-4.43	1731.2	- 4.41	19.09	-314.50
For industry	-24.53	8.09	45.30	-56.41	16. 1	--33.46
For household consumption	13.96	-34.90	81.66	-21.77	4.41	-44.71
Primary and Processed	16.49	4.37	115.70	-30.91	40.2	-37.71
For industry	111.05	48.39	119.53	-39.19	38.43	-46. 8
For household consumption	75.38	-31. 8	108.86	-14.78	43.35	- 0.78
Total	43.19	30.58	28.51	-2 .97	4.40	-468.8

Category	197 /78		
	% Export	% Import	Trade % Balance
Primary	30.44	34.20	38.88
For industry	46.31	134.66	51.13
For household consumption	26.78	17.105	28.54
Processed	10.8	14.45	-135.01
For industry	5.73	11.97	- 8.75
For household consumption	9.89	10.75	00.57
Primary and Processed	7.67	13.36	38.96
For industry	44.50	31.8	36.66
For household consumption	20.66	11.66	9. 9
Total	2 .35	5.21	-98.15

Source: As for Table 2

Table 4. Structure of Kenya External Trade in Foods and Beverages by Type of Principal Commodities. 197 -78

Type	Export	Import	Trade Balance
Meat	4.09	-	4.97
Processed			
Unprocessed			
Dairy	2.21	0.81	2.50
Processed			
Unprocessed			
Fruits & Vegetables	8.63	4.41	9.53
Processed			
Unprocessed			
Fish	0.26	2.09	(0.12)
Processed			
Unprocessed			
Vegetable and Animal Oils and Fats	1.00	37.31	(6.76)
Processed			
Unprocessed			
Cereals	2.17	12.23	0.02
Processed			
Unprocessed			
Bakery Products	-	-	-
Processed			
Unprocessed	-		
Sugar	-	22.99	(4.91)
Processed			
Unprocessed			
Confectionery	-	0.71	(0.15)
Processed			
Unprocessed			
Tropical Beverages	78.31	5.09	93.95
Processed	30.35	-	29.54
Unprocessed	69.56	-	70.46
Other Foods	.71	14.37	0.22
Processed			
Unprocessed			
Animal Foods	0.62	-	0.75
Processed	0.6	-	-
Unprocessed	-	-	-
All Foods	99.64	85.98	103.14
Processed	40.56	89.76	30.05
Unprocessed	59.44	10. 4	69.95
Beverages and Tobacco	0.36	14.0	(3.14)
Processed	-	-	-
Unprocessed	-	-	-
All Foods, Beverages and Tobacco	100	100	100
Processed	49.77	91.18	27.85
Unporcessed	59.23	8.82	72.15

Source: As for Table 2

33. Kenya is a net importer of vegetable and animal oils and fats, sugar, confectionery, beverages and tobacco and fish.[20] These products take up more than three quarters of the c.i.f. value of all external food purchases. Their trade deficit as a group amounts to 15 per cent of the net foreign exchange inflows from external transaction in food commodities. The two outstanding items of food import, vegetable and animal oils and fats and sugar, represent about 60 per cent of the total value of imported food with respective shares of about 37 per cent and 3 per cent. More than 70 per cent of imported oils and fats are of vegetable variety. As an item of domestic export, oils and fats have less than a marginal role. In both processed and unprocessed form they barely amount to one per cent of food exports.

34. Dairy and cereals do not figure prominently as food lines for the export market. Foreign exchange generated by the two is marginal, amounting to under 5 per cent of total earnings accruing from export of foods. Principal items of dairy export are milk and cream, butter and ghee and eggs, in that order of importance. Milk and cream amount to three quarters of the value of dairy exports. A small quantity of dry milk, not exceeding one per cent of all imported food, is obtained externally.

35. The f.o.b. value of exported cereals and the c.i.f. value of imported cereals are very nearly equal with negligible trade surplus. In relative terms, however, exports of cereals amount to bareley 2 per cent of total food exports while the imported value of cereals represents more than 10 per cent of all imported foods. Main types of cereals exported and imported are maize and wheat. About 90 per cent of external transaction in cereals is in unprocessed form.

B. Profile of food and beverage processing

1. Dairy (Kenya cooperative

36. In terms of integrated operations of production, processing and marketing, the dairy industry is a virtual monopoly of one firm. Kenya Co-operative Creameries (KCC) is the equivalent of the country's dairy industry. niitial membership of about 600 farmers, Kenya Co-operative

20/ Kenya became self-sufficient in sugar at the beginning of the 1980's, according to a review of the food supply situation in Kenya. Republic of Kenya. National Food Policy (Nairobi, Government Printer, 1981), pp. 6-16.

Creameries dates back about forty years before the nationhood of Kenya. The Co-operative was organized under the aegis of the British colonial government with the express purpose of aiding the settler economy, especially the dairy sector.[21]

37. Today, Kenya Co-operative Creameries is owned and controlled by small holder dairy farmers numbering about six thousand. Milk or cream is supplied to KCC by more than thirty thousand farmers, about twenty per cent of whom are owners and, therefore, voting members of Kenya Co-operative Creameries. Each member of the co-operative is alloted five units of ownership and one vote.[22] Ten of the eleven seats of the KCC board of directors are filled by the co-operative members of the farming community.

38. The activities of Kenya Co-operative Creameries span the whole spectrum of functions including consolidating into bulk small quantities of widely scattered sources, physical handling of milk and cream delivery by suppliers, processing, packaging, distributing and selling of a wide assortment of dairy products. All cash benefits generated by downstream activities, ordinarily appropriated by processing and marketing intermediaries including transnational corporations, now accrue to the farmer who wears different hats as milk supplier dairy processor and dairy distributor.[23] KCC has virtual monopoly over the domestic milk market, and counts Lyons Maid among its customers in the ice cream line. But the relationship of KCC with transnational corporations goes back to the beginning of 1950 when the co-operative acquired an advanced packaging technology from Tetra Pak of Denmark.[24]

39. Kenya Co-operative Creameries operates nine plants and employs more than 1500 people. Each establishment specializes in a particular line of dairy processing. KCC has the organizational capability for domestic and foreign marketing of dairy products.

21/ Nicola A. Swainson, op.cit., p. 53

22/ According to estimates by the Ministry of Livestock Development, small scale dairy farms account for the supply of some 80 per cent of domestic milk consumption. Republic of Kenya. Ministry of Livestock Development, National Livestock Development Policy (Nairobi, Government Printer, 1980), pp. 5-3. Kenya Co-operative Creameries, Annual Report (Commemorative golden jubilee report) pp. 10-14.

23/ In some areas, farmers are represented in KCC through their local co-operatives. In 1980, there were 3 3 primary co-operative members and 5 700 individual members of KCC. Kenya Co-operative Creameries, Annual Report, (1980) p. 8.

24/ The latest and tenth KCC plant was financed through a credit arrangement from the Danish Government, a case of the home government financing export of technological package like a dairy plant. At the time of publication, this was under construction.

40. The amount of milk supply obtained by KCC has been rising steadily over the years from just over half a million litres at the beginning of the second quarter of this century to a peak of 77 million litres in 1970, posting average annual growth rate in excess of ten per cent.[25] In isolation, the milk supply record of Kenya dairy farms appears impressive. But milk output during the last two consecutive years of 1970's registered a decline to levels of 61 million litres and 180 million litres in 1979, respectively. With the demand for milk advancing and the supply of milk retreating, KCC was compelled to import Kshs. 30 million worth of powdered milk in 1980 to cover the shortfall.[26]

41. Revenue earned by Kenya Co-operative Creameries and payments made to its members were 8 million Kenya shillings and 11 million Kenya shillings, respectively, in 1980. Both figures were below those transacted in the previous year. In absolute terms, the amount paid to members has been increasing constantly, surpassing 15 million shillings in 1979. But the proportion of revenue paid out to members has been declining from nearly 90 per cent in 1950 to almost half that in 1980. The relative share of benefit going to the co-operative members declined over the years as a result of rising costs.

2. Fruits and vegetables

42. Fruits and vegetables are a significant line of food processing in Kenya. This activity is dominated by foreign-affiliated companies such as Kenya Canners of DelMonte Corporation, Pan African Vegetable Products of Bruckner Werk and others. Fruits and vegetables are given detailed coverage in connextion with the role of transnational corporations in the sector.[27]

26/ Planners at the Ministry of Livestock Development forecast that during the first two years of the 1980s there will be an annual milk shortage of 80 million litres. The disparity between the volume of milk demanded and milk supplied is blamed positively on growth in population, income, and a demand booster in the form of School Milk Programme; and negatively on drought and artificially low prices militating against the incentive to produce more milk. Ministry of Livestock Development, National Livestock Development Policy, pp. 33-39.

27/ Refer to sections 13000, 13100, 13110, 13120 of the following chapter.

3. Cereals (National Cereals and Produce Board)

43. Four cereals are included among nine staple food items identified by a national policy paper addressing issues of food for Kenyans maize, wheat, sorghum, and rice.[28] Since 1977, Kenya has been facing significant shortages of maize, wheat and rice, and substantial quantities of these staples have had to be imported to make up for the shortfall. The combined effect of a growing population and income is expected to raise the level of demand for these commodities and calls for comparable growth rate on the supply side.[29]

44. In the early 1970's up to 1977, Kenya registered a surplus output of maize, over and above requirements for domestic consumption. Adverse weather conditions, shortage of fertilizers, artificially administered low price, limited storage capacity of the National Cereals and Produce Board (NCPB) were some of the factors contributing to a prolonged shortage of maize in subsequent years.[30] On the basis of estimated output of 1980, in order to achieve self-sufficiency in maize by the end of the decade, production of corn must increase at more than twice the growth rate of population.[31] To meet domestic requirements, wheat and rice must grow at a much higher rate of about 15 per cent.

45. The parastatal organ with broad responsibilities over the marketing of grain is the National Cereals and Produce Board (NCPB). The Board is the sole legal organization for grain marketing in Kenya. Distribution of grain is off-limits for private organizations. Farmers are legally obligated to sell their harvest to NCPB. The grain board performs a number of functions including buying, transporting, storing, selling, exporting, importing, and regulating price. The organization operates six area offices and 33 depots.[32]

28/ The remaining main food items include beans, potatoes, sugar, beef, and milk. Republic of Kenya, National Food Policy, (Nairobi, Government Printer, 1981), pp. 49-52.
29/ With projected annual growth rate of 4 per cent the population of Kenya is estimated to exceed 3 million by 1980. Ibid. p. 7.
30/ In the face of a growing maize inventory on hand, a reasonable option for the farmer was to reduce the size of the corn field by shifting cultivation to alternative crops. Ibid. pp. 6-16.
31/ Ibid. p. 9.
32/ The National Cereals and Produce Board (also known as the Maize and Produce Board) Annual Report, 1979.

46. In addition to marketing grain with a view to ensuring adequate supply and stable prices, the National Cereals and Produce Board also acts as a holding company for the Ministry of Agriculture. At the end of 1979, companies affiliated to NCPB consisted of Kenya Cashew Limited (100), Kenya Cashew Nuts Limited (43), Milling Corporation of Kenya (50), Kenya Nixa Ltd. (51) and Kenya Peanuts Ltd. (4).

47. The processing of cereal-based products, including grain mill products, bakery products and animal feeds, is dominated by numerous and small privately-owned local firms. Apart from operation and regulation through the National Cereals and Produce Board, the only known case of direct government involvement in the sector is a three-quarter equity interest in the National Milling Corporation, held by the Agricultural Development Corporation. The presence of transnational corporations in the sphere of cereals processing is confined to a symbolic licence manufacturing of pasta products and breakfast cereals.

4. Sugar

48. The sugar sector is credited for its outstanding performance record in the food processing industry of Kenya. After experiences as an importer of the sugar required for domestic consumption and subsequent involvement in sugar processing, the country has achieved self-sufficiency in sugar production. Among groups of processed foods and beverages imported to Kenya during the first eight years of 1970's sugar was the biggest single drain on foreign exchange: its import absorbed just under one quarter of the value of food and beverage imports.

49. In a recent review of the food supply situation in Kenya contained in a national food policy statement identifying nine "main food stuffs", sugar was singled out as the only item whose actual production surpassed projected targets for the first two years of the 1979-83 development plan period.[34/]

34/ Republic of Kenya. National Food Policy, p. 50.

53. In food processing the role of the government is nowhere more dominant than in the sugar sector.[38/] Five of seven refineries are wholly-owned subsidiaries of the government.[39/] The state has a major stake in the remaining two companies. The Ministry of Agriculture is the principal actor in the sugar sector on behalf of the government. The Ministry of Commerce through the Kenya National Trading Corporation has exclusive rights over the distribution and marketing of sugar and other essential commodities at both wholesale and retail levels.

5. Tea (Kenya Tea Development Authority)

54. The Kenya tea industry is credited for a number of achievements of both domestic and international significance. Tea is the second most important product in Kenya, by far the largest tea producer in Africa and the third largest exporter in the world. The development of the tea industry in the country is both quantitative and qualitative, and the weight of the latter is even more striking. Barely a decade ago, tea originating in Kenya was of low quality and in need of improvement through blending. Today it is the blend improver. The country is the largest single source of black tea and has potential for further growth.

55. For nearly two decades since independence, the industry has undergone a significant structural change both in terms of area under tea cultivation and tea production, as detailed in Tables 8 and 9 and Figures 1 and 2.

38/ Securities of firms from the sugar industry make up a significant proportion of the portfolio value of the Industrial and Commercial Development Corporation and the Agricultural Development Corporation. Refer to Table 1 .

39/ These include Associated Sugar, Chemlil Sugar, East African Sugar Industries, Miwani Sugar Mills, Mumias Sugar Col, Nzoia Sugar Co., South Nyanza Sugar Co.

56. The tea industry of Kenya consists of two sub-groups: estates and small holdings. The dominant forces in each segment are transnational corporations and smallholders registered with the Kenya Tea Development Authority.

57. The most outstanding feature of the Kenyan tea industy is the aggressive role smallholders are playing in the production, processing and distribution of tea for both internal and external markets, under the leadership and guidance of Kenya Tea Development Auhtority (KTDA). The tea authority is a parastatal organization, formed one year after independence in 1964, and entrusted with the duty of spreading and promoting tea cultivation among smallholders with view to maximizing cash benefits accruing to them. Some seats on KTDA board are filled by representatives of registered growers.

58. During its short history, KTDA has been largely instrumental in propelling Kenya to super-power stature in terms of tea, but more importantly, in organizing smallholders into a strong and cohesive constituency serving its own economic interests.

59. The number of small-scale tea growers registered with the Kenya Tea Development Authority very nearly reached 130 000 in 1980 and registered a compound annual growth rate of six per cent between 1973 and 1980. The same year, these smallholders owned 51 420 hectares of planted tea, about two thirds of total hectarage under tea.[40/]

60. In addition to many other characteristics, the Kenya Tea Development Authority prominently the manufacturing arm of small growers. In 1980, the authority had twenty-four incorporated factories,[41/] nine of which were wholly-owned subsidiaries of KTDA; the other two were public companies.

40/ /Refer to table 5.

41/ KTDA factories operate at full capacity, because about five per cent of the green leaf delivered by growers is sold to private companies. KTDA, Annual Reports, 1978, 1979, 1980. KTDA runs twenty of these factories. The remaining four are managed by James Finlay (2), George Williamson (1) and one factory by Brooke Bond Leibig.

61. The shares of KTDA factory companies can be subscribed to by growers registered with the Kenya Tea Development Authority. In 1979, more than 1.3 million shares book-valued at more than Kshs. 6.5 million were owned by 12 580 registered farmers.[42/] By comparison, the ownership interest of the Kenya Tea Development Authority was valued at Kshs. 2.17 million, or about one third of the ownership interest of registered growers. But KTDA is a very important source of credit for tea factory companies. At the end of 1979, the factories owed KTDA about Kshs. 97 million in long term and about Kshs. 20 million in short-term credit. Conversely, registered growers are an important source of trade credit for KTDA. At the end of 1979, growers were owed about Kshs. 250 million for green leaf delivery.

62. The good performance record of the Kenya Tea Development Authority is often ascribed to the size of farm cultivated by registered members of the authority.[43/] No farmer owns more than one hectare of tea. In 1980, the average holding was 0.39 hectares, and varied between 1973 and 1980 from 0.38 to 0.40 hectares. According to industry observers, small-scale operation motivates the farmers, it is said, to maximize his reward by carefully attending to both the quantity and quality of tea harvested. Since the formation of the Kenya Tea Development Authority, the area under tea plantation controlled by its registered members has grown more than twenty-fold. The expansion, however, was achieved through increased individual membership, not merely through creation more tea plantations.

63. In addition to efficiency, this arrangement has the merit of built-in equity in the distribution of income. In the 1970's, the average holding was less than 0.40 hectares with the maximum limited to one hectare. A very small gap between the average holding and the maximum holding means that distribution of income among registered small holders is

42/ Kenya Tea Development Authority, Annual Report, 1980.
43/ Ibid.

comparably equitable. Between 1972 and 1980, both the number of growers and hectares of tea increased at the same rate of six per cent, maintaining the small scale of operation.

64. In the peak year of 1979, registered growers delivered more than 170 million kgs. of green leaf. The rate of aggregate green leaf delivery increased at an annual rate of 16 per cent between 1972 and 1980.[44/] Aggregate payments for green leaf averaged more than Kshs. 331 million in the 1970's, exceeding the four hundred million mark twice, in 1977 and 1979. Table 5 describes trends of payments to smallholders registered with KTDA. Between 1973 and 1980 average annual payment to a grower for green leaf delivered was Kshs. [illegible] 100, varying between a low of Kshs. 835 in 1973 to a maximum of Kshs. 3 8 5 in 1977. Payments received by tea growers are obviously determined by the amount of tea harvested and the level of prevalent prices. The two variable determining the purse of the smallholder are subject to random disturbances caused by natural conditions and the market. The average harvest delivered per KTDA grower was 1 000 kgs. of green leaf in the 1970's and varied between a peak of 1 364 kgs. per grower in 1979 to a low of 731.57 kgs. per grower in 1974. The price of a unit weight of tea was subject to greater fluctuation than tea harvest. For the decade of 1970's, the average paymet to a grower was Kshs. 1.8 for a kilogram of tea: this fluctuated between Kshs. 1.111 per kg. in 1971 and Kshs. 3.4 per kg. in 1977. 1977 was the record year for maximum average payment of Kshs. 3 8 5 to growers.

44/ Ibid.

65. The marketing of tea is a very important activity of the Kenya Tea Development Authority. For nearly 40 years until the end of 1977, Brooke Bond Leibig had complete monopoly over the domestic distribution of tea in Kenya. As of the beginning of 1978, Brooke Bond was replaced by the Kenya Tea Development Authority for blending, packaging, distributing and selling of tea on the domestic market. The Kenya Tea Packers Ltd. is the marketing subsidiary of KTDA. By law, all tea factories in Kenya, both local and TNC affiliated, are required to sell fifteen per cent of their tea output to Kenya Tea Packers. In 1980, about 14 million kgs of tea was consumed domestically and about 75 million kgs was exported. KTDA tea destined for external markets is sold through the Mombassa Auctions, the London Auction or through sales representatives appointed by the authority. Unlike the domestic market for tea over which KTDA has exclusive monopoly, the export of coffee and tea is left open for competition among smallholder companies and estate companies. According to a KTDA official, the estate companies (Brooke Bond, James Finlay, George Williamson) control about 60 per cent of the tea exported from Kenya.

6. Coffee

66. The second largest item in the Kenyan food economy is coffee. In view, however, of a globally persistent inflation that favours industrialized countries and of an increasing demand for and short supply of foreign exchange, coffee is the single most important commodity of the Kenya economy. It accounts for more than half of Kenya's foreign exchange earnings and more than two thirds of net foreign exchange flows from external food transactions.

67. In 1980, the total area under coffee plantation was 902 404 hectares, one-quarter more than that under tea cultivation. About 70 per cent of the land devoted to coffee is in the cooperative sector, with the rest filled by estates.

Table 5. Payments made to Smallholders Registered with Kenya Tea Development Authority for Green Leaf Delivered. 1971-1980.

Financial Year	Total payment Kshs.	Green Leaf collected kgs.	Number growers	Average payment per grower Kshs.	Average green leaf collected per grower (kgs.)	Average payment per kg. Kshs.
1971	35 92 840	31 752 787	-	-	-	1.111
197	5 808 140	51 010 513	-	-	-	1.045
1973	64 380 880	65 775 677	77 036	835.7	853.83	0.979
1974	79 909 840	65 940 460	90 135	836.56	731.57	1.210
1975	10 959 320	72 673 885	95 [illegible]	1 081.23	773.69	1.397
1976	141 810 900	88 759 897	103 854	1 365.48	854.66	1.600
1977	442 398 580	129 201 280	115 648	3 825.39	1 117.19	3.420
1978	340 670 880	151 779 147	122 348	2 784.44	1 240.55	2.380
1979	401 911 780	172 094 150	126 169	3 185.50	1 364.00	2.330
1980	379 796 510	137 987 883	129 912	[illegible] 923.49	1 062.16	[illegible].750
Annual Average	331 493 940			21 110.96	999.71	1.821

Source: Kenya Tea Development Authority, Annual Report and Accounts, 1979/80.

68. In 1980, Kenya produced about 9 000 tons of coffee, distributed as 57 per cent and 43 per cent between the cooperative and estate sectors, respectively. The disparity in distribution of land under coffee plantation and coffee production between co-operative and estates is a reflection of yield differentials between the two sectors. During the period 1977-1980, the yield on an hectare of co-operative sector plantation was about 60 per cent that of an hectare of estate coffee land. During the second half of 1970's coffee classified by the Coffee Board of Kenya fluctuated between 68 000 and 98 000 tons. During the same period, there was a marked shift in the internal structure of coffee production. In 1976, about 55 per cent of the coffee produced was credited to coffee estates with the rest going to co-operatives. By 1980, the co-operative sector had increased output at a much faster rate exactly to reverse the distribution of coffee output between the two sectors. With a much lower record of coffee yield per unit area and much larger share of coffee land under cultivation than estates, the co operatives could only achieve growth in their share of industry output through increased membership which is analogous with developments in the tea industry.

69. Planters were paid about Kshs. 113 million in 1980 for 91 000 tons of coffee, or Kshs. 1 41.31 per tonne. The disbursement constitutes more than 95 per cent of gross revenue or just over 90 per cent of the f.o.b. value of coffee exports.[45/] Direct marketing and other payments absorb about five per cent gross revenue.

45/ In 1980, 96 per cent of total coffee sales was exported. The amount of payment to planters figures to more than 90 per cent of f.o.b. export value. More than 90 per cent of coffee export from Kenya is destined for eight West European countries and the United States. The Federal Republic of Germany is the most important importer of coffee from Kenya, accounting for nearly half in 1979 and 1980. Ibid.

C. Involvement of transnational corporations

70. The food industry figures very prominently in the economy of Kenya. Transnational corporations, in turn, figure significantly in the food industry. In this paper, more than thirty transnational corporations with involvement in food and beverage processing in Kenya are identified, including most of those companies with direct or indirect interest, and as a primary or secondary activity.[46/] Transnational corporations directly involved in food and beverage processing in Kenya, their food affiliates, home country and principal food lines are listed in Table 6. The list covers more than 90 per cent of the population of transnational corporations operating in Kenya and constitutes a highly representative sample.[47/]

71. Transnational corporations engaged in food and beverage processing in Kenya are examined in terms of their distribution across different food and beverage lines at ISIC four digit level, their pattern of diversification and ownership control of their affiliates. Non-equity participation, integration, market power and other pertinent issues are discussed with reference to selected companies of special significance. Some affiliates of transnational corporations and related sub-sectors of food processing, notably Kenya Canners (fruits and vegetables) and Brooke Bond Leibig (tea), are given greater attention on account of their weighty status in the food industry.

46/ The roster does not include those TNCs with food affiliates in other countries but whose Kenya subsidiaries are confined to non-food investment. Colgate Palmolive Co. (detergents and toiletries), Reckitt & Coleman (detergents, toiletries, polishes) and Lipton (tea export).

47/ Estimate of the sample size is based on the assumption that any company of some significance should be listed in any of the sources from which Table 6 was compiled. Refer to the table for sources of information.

Table 6. Affiliates of Transnational Corporations in the Food and Beverage Processing Industry of Kenya

Parent and affiliate	Home Country	Principal food line
1. Advait International Kenya Chemical and Food Corporation	Panama	Yeast, vinegar, citric acid
2. Arthur Guiness Guiness (E.A.)[a] Ltd.	Great Britain	Beer
3. BAT Industries Ltd.[b] Kenya Poultry Development Co. Ltd.	Great Britain	Meat
4. Steel Brothers AJC foods [k]	Great Britain	Animal Feed
5. Beecham Group Ltd. Beecham of Kenya Ltd.	Great Britain	Soft beverages
6. Booker McConnell Mumias Sugar Co. Ltd.	Great Britain	Sugar
7. Brooke Bond Leibig Ltd. Brooke Bond Kenya Ltd. Kenya Tea Blenders Ltd.[c] Brooke Bond Mombassa Ltd. Ikumbi Tea Factory Ltd. Kebazi Canners + [d]	Great Britain	Coffee and tea
8. Bruckner-Werk AG Pan African Vegetable Products	West Germany	Fruits and vegetables
9. Cadbury Schweppes Ltd. Cadbury Schweppes Holdings Ltd.	Great Britain	Soft beverages
10. Coca Cola Corporation[e] Coca Cola (Africa) Ltd.	United States	Soft beverages
11. Cow & Gate Ltd. Cow & Gate (East Africa) Ltd.	Great Britain	Baby Food
12. CPC International[f] CPC Kenya Ltd.	United States	Oils and Fats
13. Delmonte Corporation[g] Kenya Canners Ltd.	United States	Fruits and vegetables
14. Elianto Aktien Gesellschaft Elianto Kenya Ltd.	Switzerland	Oils and fats
15. George Williamson Ltd. George Williamson Kenya Ltd.	Great Britain	Tea
16. Glaxo Holdings Ltd. Glaxo East Africa Ltd.	Great Britain	Baby food

a/ It has been indicated by some that Arthur Guiness has some non-equity interest in the form of technical contract, in Kenya Breweries Ltd.
b/ Through BAT Kenya Ltd.
c/ Through Brooke Bond Kenya Ltd.
d/ Brooke Bond Leibig is just the managing agent of the factory.
e/ Through Coca Cola Export.
f/ Through CPC Europe (Group) Ltd.
g/ Through Delmonte International Inc.,

Table 6. Affiliates of Transnational Corporations in the Food and Beverage Processing Industry of Kenya (cont'd)

Parent and affiliate	Home Country	Principal food line
17. Grand Metropolitan Ltd.[h/] Gilbeys East Africa Ltd.	Great Britain	Spirits
18. Hoechst AG Hoechst Africa Ltd.	F.R. Germany	Animal feeds
19. James Finlay & Co. Ltd. James Finlay East Africa Holdings Ltd. Stoik Highlands Tea Estates Ltd. African Highland Produce Co. Ltd.	Great Britain	Tea
20. J. Lyons & Co. Ltd. Lyons J. & Co. (K) Ltd.[i/] Lyons Maid (E.A.) Ltd.[i/]	Great Britain	Dairy
21. Marshall Ltd. Kenya Orchids +	Great Britain	Fruits & vegetables
22. Mitchell Cotts Group Mitchell Cotts Kenya ltd.[j/] Mitchell Cotts Estates Ltd.[j/] Associated Packers	Great Britain	Fruits & vegetables
23. Nestle Alimentana SA Food Specialities Kenya Ltd.	Switzerland	Baby food & coffee
24. Pepsico, Inc. Pepsico, In., E.A. Branch	United States	Soft Beverages
25. Pfizer Corporation Pfizer Laboratories Ltd.	United States	Animal feeds
26. Unilever Ltd. East African Industries Ltd.	Great Britain	Oils and fats
27. Wrigley Wld. Jr. Co. Wrigley Company (E.A.) Ltd.	United States	Confectionery

Compilation sources: Kenya Association of Manufacturers. Members List and International Standard of Industrial Classification. Nairobi, 1980. Kenya National Chambers of Commerce and Industry. Directory of Members and Classified Index. Nairobi, 1980/81. Kenya External Trade Authority. Export Directory and Investment Guide. Nairobi, 1980. Kenya Central Bureau of Statistics. Directory of Industries. Nairobi, 1974, 1977

h/ Through International Distillers and Vintners Ltd.
i/ Through Lyons J. & Co. (Kenya) Ltd.
j/ Through Mitchell Cotts Kenya Ltd.

1. Distribution among sub-sectors

72. Transnational corporations are distributed as follows: twenty-three in food processing, five in beverage processing, and two in both food and beverage processing. The two companies active in both food and beverage processing are Cadbury Schweppes (soft drinks and confectionery) and Unilever (mostly edible oil and soft drinks).

73. A total of about 50 transnational corporations are directly or indirectly represented across the 15 sub sectors of food and beverage processing.[48/] The number of transnational parents averages about three for each of the 15 food and beverage groups, with appropriate adjustment for fishery and winery, two sub-sectors of the food industry with no known involvement of foreign affiliated companies, average TNC presence per sub-sector is slightly higher than three.[49/] In addition to fishery and winery, sectors where the number of transnational corporations is less than the average for the entire food and beverage processing industry include meat, sugar, spirits, beer, grain mill products and confectionery.

48/ Indirect representation refers to non-equity participation. The total number of transnational corporations listed in Table 5 runs to about 30. A figure of 50 is a result of the same TNC processing several food and beverage lines.

49/ Fisheries are the least significant sector of food processing in Kenya. On the basis of firms listed in the Directory of Industries, the handful of private enterprises do not employ more than a hundred people. Perhaps the only company in fisheries to speak of is the Kenya Fishing Industries Ltd. a wholly-owned subsidiary of the Industrial and Development Corporation (ICDC). The only wine processing firm in Kenya is the Kenya Wine Agencies Ltd., another subsidiary of ICDC.

74. In terms of numerical presence of TNC affiliates, tropical beverages and fruits and vegetables are fairly crowded lines of food processing. About 11 foreign companies are operating in tropical beverages and 9 in fruits and vegetables.

75. Dairy and soft drinks host more than the average number of transnational parents distributed across different lines of food processing. The number of foreign companies represented in dairy and soft beverage lines are four and five, respectively.

76. Oils and fats, bakery products, and animal feeds play host for three transnational corporations each. A figure of three represents the average number of parent transnationals active in different lines of food and beverage processing.

(a) Meat

77. From 1930 until 1969, the processing and distribution of meat in Kenya and Tanzania for both domestic and foreign markets was an exclusive preserve of Leibigs Meat Co. of Great Britain.[50/] One year before the Kenya Meat Commission, a parastatal organiation took over the Leibigs Plant near Nairobi, Brooke Bond Leibig Ltd. was incorporated as a result of a merger between Brooke Bond Ltd. and Leibigs Meat Co. Ltd. Brooke Bond Leibig handled the distribution of canned meat for Kenya Meat Commission until that, too, was taken over in 1974.

78. The only transnational corporation in the meat sector today is BAT Industries. Kenya Poultry Development Co. is a joint venture between the Agricultural Development Corporation and BAT Industries, in which BAT has a controlling sixty per cent ownership. In addition to poultry farming and processing, mostly for the domestic market, the BAT subsidiary is also involved in the export of day-old chicks and processed meat products.

50/ Swainson, op.cit., pp. 54-55.

(b) Dairy

79. The four TNCs in the dairy sector are Cow and Gate Ltd. (baby food), Glaxo Holdings Ltd. (baby food), J. Lyons & Co. Ltd. (ice cream and stick confections) and Nestle Alimentana S. A. (baby food and milk products). J. Lyons entered the Kenya dairy market in 1959 through acquisition of a private firm. Such acquisitive entry of the ice cream line by the British transnational, in lieu of opening a new plant, has served it well in eliminating a potential competitor. As a result, Lyons Maid Commands a dominant market position in the ice cream line of dairy processing and distribution in Kenya.[51/]

80. The presence of three transnational corporations in baby foods makes that dairy sub-market oligopolistically competitive among these foreign-affiliated firms. Cow and Gate is the smallest of the group. Processing and distribution of dairy products other than baby foods and ice cream, are virtually the exclusive preserve of the Kenya Co-operative Creameries. All transnational corporations rely on the producers' cooperatives for the supply of milk, cream and other dairy inputs used for the manufacture of ice cream, baby foods and other milk products.

81. With the exception of Lyons Maid, the products of the remaining three transnational corporations are oriented towards both domestic and foreign markets. The involvement of Cow and Gate, Glaxo and Nestle in the export of baby food from their Kenya base is evident from the inclusion of the three companies in the Kenya Export Directory.

(c) Fruits and vegetables

82. There is no sector of food processing more dominated by affiliates of foreign companies in Kenya than fruits and vegetables. The number of individual transnational corporations

51/ Ibid., p. 13.

involved in this sector approaches ten and includes Brooke Bond Leibig (canned fruits and vegetables), Bruckner Werk (dehydrated vegetables), CPC International (dehydrated soups and jelly), DelMonte Corporation (canned pineapples and vegetables), J. Lyons & Co. (bottled fruits and vegetables), Mitchell Cotts Group (fruit squashes and vegetable sauces), Marshall Ltd. (canned fruits and vegetables), Nestle Alimentana SA (maggi soup) and Unilever (bottled fruit squash). Those transnational corporations with additional involvement in fruits and vegetables, but whose principal line of food processing is outside it, such as Brooke Bond Leibig, CPC International, J. Lyons, Nestle and Unilever are discussed more extensively under their respective main lines of food processing.

83. Pan African Vegetable Products, an affiliate of Bruckner Werk AG, is a joint venture between the West German transnational and the Kenyan Government. Government shares are held through the Industrial and Commercial Development Corporation and the Agricultural Development Corporation. The company was formed in 1968 and specializes in the manufacture of dehydrated vegetable products for the export market.

84. Kabazi Canners, one of the largest fruit and vegetable processing firms in the country, is associated with Brooke Bond Leibig. As part of a diversification programme within food and beverage processing, Brooke Bond Leibig acquired 30 per cent interest in 1980 in a going concern controlled by resident Asian investors. Kabazi cans fruits and vegetables both for domestic and foreign markets. The decision of Brooke Bond Leibig to own part of a fruit and vegetable canning company was calculated to integrate the marketing of fruits and vegetables canned by an affiliated company into an existing network of extensive distribution outlets primarily organized for tea.

85. Associated Packers and Kenya Orchards, subsidaries of Mitchell Cotts Group and Marshall Ltd., respectivlly, are two other TNC affiliated fruit and vegetable processing firms. The two British transnationals entered the host country market by acquiring going concerns owned by private local investors.

(i) KENYA CANNERS (DEL MONTE CORPORATION)

86. Kenya Canners, a subsidiary of Del Monte Corporation, is the largest fruit and vegetable processing company in the country. Kenya Canners has integrated operations of growing, canning and exporting fruits and vegetables, especially pineapples. It is one of forty seven fruit and vegetable canning and drying plants, and the only one in Africa, owned by the US transnational corporation in five continents.[5/] Combining factories and estates, Kenya Canners had a payroll exceeding 10,000 employees in 1976, and 1975, 80,000 acres of land at different stages of development. The plantation unit in Kenya is one of the five most important specializing in pineapples, among a total of seven operated by Del Monte.[53/] Kenya Canners has virtual monopoly over the pineapple industry.

87. Del Monte's involvement in the Kenya food processing industry dates back to 1964, when it was picked for a management contract on the strength of its technical know-how, marketing expertise and financial resources, to run Kenya Canners on behalf of the owners, a British firm and settler entrepreneurs.[54/] The company's entry in Kenya coincided with a general rise in the price of pine-apples on the world market and a management decision to diversify sources of raw materials into Africa.

5/ As of 1975, the remaining 46 plants were distributed among the following countries: 9 in the US, 9 in Canada, 3 in Mexico, and one each in GB, Italy, Greece, Venezuela, and the Philippines. Swainson op. cit., pp. 156-169.

53/ Banana plantations are located in Costa Rica & Guatemala, and pine apple plantations, in Hawaii, Philippines, and Kenya.

54/ Kenya Canners was formed as a joint venture between Pickering & West, a British firm engaged in fruits, and a settler in 1948. The company was subsequently sold to Afcot Ltd., another British company. The management contract referred to here is between Del Monte and the last owners. Swainson, op. cit., 159-161.

88. Del Monte's status as non-equity participant lasted for four years and brought it a number of indirect rewards. Without the commitment of its own equity capital, it was able to assess prospects and dangers of direct investment in Kenya.

ii. Campaign for upstream integration

After gaining its non-equity status to a position of infiltration, the final assault was made.

89. In 1968 when Del Monte purchased 90 per cent of the subsidiary it was managing. After taking over the processing and distribution end of thepine-apple industry, the remaining task was full upstream integration into company plantation.

90. Kenya Canners made several moves to line up the support of the government in its effort to consolidate its control over the industry. Losses, which were reported for a number of consecutive years, were attributed to factories operating below capacity. Below capacity operation of plants was in turn, blamed on inadequate supply of raw materials. Poor supply conditions were extended to both problems of quantity and quality. In the end, a complete switch to integrated, highly mechanized and closely supervised company plantation was put forth as the sole answer, for one on two other alternatives had been tried and had failed dismally. The strategy worked well: Kenya Canners obtained a number of concessions very favourable to a complete switch to estate form of cultivation. With restrictions placed on smallholdings, it was given exclusive rights for growing pineapples. The government agreed to provide land of lease for the expansion of factory plantations. Although canned pineapples were mainly destined for external markets, all imports of these products to Kenya were embargoed.

91. The scheme of Kenya Canners to replace smallholder suppliers of pineapples by company plantations has been directly responsible for the demise of small farmers in that line of agriculture. From the early colonial days, pineapple, along with tea and pyrethereum, was one of the commodities identified by the administration for indigenous smallholders as the priority group.

To this effect, the colonial government has a record of arresting the dominance of settler smallholders in that sector guaranteeing minimum price and creating the Canning Crops Board as a regulatory agency with a primary responsibility of protecting the interest of native smallholders.[55/] Against such a background of active sponsorship of indigenous smallholders by the colonial government, it appears to be another irony of history that the post-colonial government should preside over the liquidation of small scale pineapple farms.[56/]

iii. Framework for transfer pricing

92. A restrictive practice of transfer pricing involving Kenya Canners has been documented elsewhere.[57/] Among conditions necessary for underinvoicing or over-invoicing are integrated operations for producing own raw materials, processing them and exporting to sister subsidiaries located in different fiscal settings. An equally favourable conditions is a complete absence of dangers of price comparison obtainable from competitors in the industry. On grounds of necessary conditions, Del Monte fits into the profile of a transnational corporation susceptible to allegations of transfer pricing. Kenya Canners is the sole producer processor and exporter of pineapples from Kenya and owns an extensive system of world-wide distribution.

55/ ibid., pp. 156-160.

56/ According to Swainson the contrast between the two sectors is only skin deep. In the end both the pineapple estates preferred by Del Monte and small holding of tea partly promoted by Brooke Bond Leibig play into the global strategy of these TNCs. Ibid., pp. 156-160, 250-264.

57/ R. Kaplinsky, Export-oriented growth a large transnational firm in a small developing country" (Nairobi Institute for Development Studies, October, 1977).

93. There is a striking parallel between patterns employed by Kenya Canners in achieving integration of its primary production, manufacturing and export operations and a strategy likely to be used by Bruckner Werk for similar purposes. The annual reports of both the Industrial and Commercial Development Corporation and the Agricultural Development Corporation for 1979, in which the performance of affiliates of both TNCs are reviewed, take an idential position in their assessment of Pan African Vegetable Products.[58/] Both parastatal organizations refer to the subsidiary's poor performance for some consecutive years. The record of loss is imputed to low price for the finished product and operation below capacity caused by inadequate supply conditions. Restructuring of the company's financial package through government credit and equity capital from Bruckner Werk and expansion of the company's nucleus estates have been recommended as corrective measures.

94. Other common patterns of behaviour among TNC affiliates active in the processing of fruits and vegetables include export orientation of products, preference for market entry by means of acquisition and favourable disposition to upstream integration. The product orientation of the most important ones are towards external markets. Transnational corporations engaged in food processing with involvement in the export of foods and beverages are identified in Table 7.

95. Entry of a market by acquisition of an existing firm instead of creation of a new plant a discernible preference among foreign companies in the sector as seen subsequently in Table II has the advantage of eliminating a potential rival. In contrast with the tea industry where small-holdings have been expanding, in fruits and vegetables small-scale farms are experiencing a period of decline. The fate of smallholding is a direct result of upstream integration with sources of supply opted for by transnational corporations.

58/ Annual reports of the Industrial and Commercial Development Corporation and Agricultural Development Corporation for 1979.

Table 7. Transnational Corporations in food and beverage processing with involvement in food export

		Foods and beverages								Non-foods
		Dairy	Fruits & veg.	Oils & fats	Confec.	Misc. foods	Animal feeds	Beverages	Unproc. food	
	Advait International					X				
1.	BAT Industries Ltd.	***	***	***	***	***	***	***	X	X
	Bauman & Co.	***	***	***	***	***	X	***	***	***
2.	Booker McConnell	***	***	***	***	***	X	***	X	***
3.	Brooke Bond Leibig Ltd.	***	X	***	***	T3 [b]	***	***	***	***
4.	Bruckner Jerk AG	***	X	***	***	***	***	***	***	***
5.	CPC International	***	***	***	***	X	***	***	***	X
6.	Cadbury Schweppes Ltd.	***	***	***	X	***	***	X	***	***
7.	Coca Cola Corporation	***	***	***	***	***	***	X	***	X
8.	Cow & Gate Ltd.	X	***	***	***	***	***	***	***	***
9.	Delmonte Corporation East African Acceptances Ltd.	***	X	***	***	***	***	***	***	***
10.	Elianot Aktien Gesslschaft Eastern Produce Africa Ltd.	***	***	X	***	T3	X	***	***	***
11.	George Williamson Ltd.	***	***	***	***	T3	***	***	***	X
12.	Glaxo Holdings Ltd.	X	***	***	***	***	***	***	***	X
13.	Grand Metropolitan Ltd.	***	***	***	***	***	***	X [a]	***	***
14.	Hoechst AG. Lipton	***	***	***	***	***	***	***	***	X
15.	James Finlay & Co. Ltd.	***	***	***	***	T3	***	***	X	***

a/ Gilbeys East Africa Ltd., a subsidiary of Grand Metropolitan, is also engaged in the import of beverages, very likely from another sister distillery located in another country.

b/ T3 means tropical beverage (tea and/or coffee).

Table 7. Transnational Corporations in food and beverage processing with involvement in food export (cont'd)

Transnational Corporations	Foods and vegetables								Non-foods
	Dairy	Fruits & veg.	Oils & fats	Confec.	Misc. foods	Animal feeds	Beverages	Unproc. food	
17. James Finlay & Co. Ltd.	***	***	***	***	X	***	***	***	X
18. Marshall Ltd.	***	X	***	***	***	***	***	***	***
19. Mitchell Cotts Group	***	***	***	***	T3	***	***	X	***
20. Maus Kenya Ltd.	***	***	***	***	***	X	***	***	***
21. Nestle Alimentana SA	X	***	***	***	X	***	***	***	***
22. Pfizer Corporation	***	***	***	***	***	X	***	***	X
23. Wrigley W.M. Jr. Co.	***	***	***	X	***	***	***	***	***
Total	3	4	1	2	3	4	3	2	3

Source: Kenya External Trade Authority, Export Directory, 1980

(d) Vegetable and animal oils and fats

96. The edible oil processing sector of the Kenya food industry is outstanding only in terms of a dubious distinction. During most of 1970's oils and fats were surpassed only by sugar as the biggest item of food import.[59/]

97. Three of the dozen or so firms active in the manufacture of oils and fats are affiliates of transnational corporations. The latter group of companies include subsidiaries of CPC International (CPC Kenya Ltd.), Vlianto Aktien Gesselschaft (Vlianto Kenya Ltd.) and Unilever Ltd. (East African Industries Ltd.). There is substantial government equity interest in all three TNC subsidiaries.[60/]

98. Among foreign affiliated companies involved in the processing of oils and fats, East African Industries is the largest and most senior.[61/] It manufactures no less than 30 different products both for homes and industry including food items and goods for personal and household care, and employs more than 1 000 people. East African Industries has a dominant market position in oils and fats. It enjoys virtual monopoly in the margarine sub-market. As stated earlier take over of a going concern rather than opening of a new plant is a strategy preferred by TNC's active in Kenya, and Unilever is no exception.

99. Unilever assumed the management responsibility and half ownership of East African Industries in response to a direct invitation from the Colonial Development Corporation, a government

59/ Between 1970-78 Kenya was a net importer of sugar and edible oils. Since then, self sufficiency has been achieved in sugar. It is not known whether similar progress has been made in the oils and fats industry.

60/ In 1978, the Industrial and Commercial Development Corporation had holdings of 41.6 per cent in CPC Kenya Ltd. and 34.15 per cent in East African Industries. Vlianto Kenya Ltd. is 30 per cent owned by the Agricultural Development Corporation. Refer to Table 12.

61/ The Chief Executive Officer of East African Industies is the current Chairman of the Kenya Association of Manufacturers.

organization.[62/] Subsequently, product lines unrelated to Unilever's area of interest were dropped. The activities of East African Industries are predominantly the processing of foods, estimated at about 70 per cent, with the rest going to non-food products.

(e) Cereal-based products

100. Cereal-based food processing such as grain mill and bakery products are lines of activity dominated by a large number of small private local firms. The involvement of transnational corporations and the government is very negligible in these sectors.[63/] The participation of TNCs either takes the form of subordinate activity to other lines of food processing or assumes a form of license manufacturing. Foreign-affiliated companies with marginal involvement in grain processing include CPC Kenya Ltd. (corn flour), Kenya Orchards (corn flour), Kabazi Canners (canned curied rice), House of Manji (Buitoni macaroni and pasta products) and P. J. Products (Post breakfast cereals). The last two companies are private local firms with license manufacturing arrangements with IBP-Buitoni Perugina of Italy for Buitoni brands and General Foods of United States for Post trade names. Companies operating in cereal processing obtain their raw materials from the National Crops and Produce Board. This parastatal entity has exclusive rights over the purchase and sale of grain.

101. Grain processing is another line of food manufacturing closely linked with animal feeds. None of the foreign-affiliated companies engaged in the processing of cereals has any involvement in animal feeds. Animal feeds are a minor activity of the three

62/ The remaining fifty per cent was controlled by the colonial government through the Colonial Development Corporation (33 1/3%). The share of CDC was taken over by its post colonial successor, ICDC. Swainson, op.cit., p. 143.

63/ Perhaps the only exception to government involvement here is a share holding of 75 per cent in Milling Corporation of Kenya Ltd. owned by ICDC.

foreign companies involved in this sector - Bauman & Co. and Hoechst and Pfizer Corporations.[64/] The last two are mostly active in chemicals and pharmaceuticals, fields of manufacturing also complementary with the processing of animal feeds. On the basis of number and size of firms included in the Directory of Industries, animal feeds is a line of food manufacturing dominated by local firms, most of which are private companies.[65/]

(f) Sugar and confectionery

102. The ownership role of transnational corporations in the sugar industry is very insignificant.[66/] Apart from Booker McConnel with 6 per cent interest in Mumias Sugar Co. Ltd., the rest of foreign involvement assumes forms of non-equity participation. Foreign firms with managerial or technical connexion in the sector include Mehta Group of India, Technisucre of France and Booker Agricultural International of Great Britain.[67/] Apart from its participation in a recent study of the sugar industry commissioned by the government and financed by a loan from the World Bank, Tate & Lyle has no direct or indirect stake in the Kenya sugar industry.

103. The linkage effect of the sugar industry extends to the energy sector. In addition to the spiralling price of energy, the availability of molasses has been a principal factor in the formation of two ethanol plants. Molasses currently exported will be diverted to the ethanol plants when they become operational. One of the ethanol plants is a joint venture between the government, Advait International of Panama and the Zurich-based

64/ The annual report of the Agricultural Development Corporation for 1979 refers to unidentified Danish partners in conjunction with Muus Kenya Ltd., Apparently, this firm is a joint venture between the Government of Kenya and a Danish Company, involving processing of animal feeds.

65/ The investment portfolio of the Agricultural Development Corporation includes shares in two companies involved in the manufacture of animal feeds Muus Kenya Ltd. and Kenya Molasses and Cattle Feeds.

66/ The role of private local firms in the sugar industry is comparably marginal. The few private local firms active here are engaged in the manufacture of Jaggery.

67/ A common first name, common home country and common occupation suggest a possible but undocumented connexion between Booker McConnel and Booker Agricultural International.

Chemfood Investment.[68] Ethanol factories can save Kenya up to 15 per cent of the hard currency spent on petrol for vehicles.[69]

104. Among about a dozen small firms in confectionery three are affiliated to transnational corporations: Cadbury Schweppes Holding Ltd., Wrigley Co. East Africa Ltd. and House of Haji. The last is a private local firm with a license manufacturing arrangement with the owners of the Perugina trade name. Confectionery is a secondary activity to soft beverages for Cadbury Schweppes.

(g) Tea

105. To about the same extent that the Kenya Tea Development Authority is identified with smallholders, eastates refer to transnational corporations hosted by the tea scene are Brooke Bond Leibig Ltd., James Finlay & Co. Ltd. and George Williamson Co. Ltd., all of common British allegiance.[70] Historically, James Finlay specialized in tea growing while the marketing of tea was the particular domain of Brooke Bond. After World War II each transnational giant of the tea industry moved vertically in opposite directions, with James Finlay moving downstream to marketing and Brooke Bond upstream to tea growing and processing.

68/ The ownership of Kenya Chemical and Food Corporation, the company building the larger of the two ethanol plants, is distributed among the Government, half, Advait international one quarter, and Chemfood Investment one quarter. The contract for supply of machinery for the ethanol plant was awarded to a subsidiary of Chemfood Investment. Advait International is a Panama registered company wholly-owned by Madhvani, a family of Asian industrialists with substantial investment in East Africa. The second ethanol plant is owned by Mehta, another Asian entrepreneur. Africa Economic Digest, July 10, 1981.

69/ Under existing state-of-the-art in automative technology, 85 parts of regular petrol can be blended with 15 parts of ethanol without requiring engine modification. When ethanol begins to flow from the factories, it will be blended with regular petrol by the government-owned Kenya Pipe Line Co. and distributed by oil companies.

70/ Mitchell Cotts is another transnational corporation engaged in tea growing and export. But tea occupies a minor part of its activities in Kenya. Nandi Estates is a wholly-owned subsidiary of the company. The Kenya affiliate of Lipton is only engaged in tea export.

(i) Estate companies

106. During seventeen years of post-independence, the tea industry registered significant growth both in terms of area under cultivation and tea output. Table 8 summarizes the performance record of the Kenya tea industry in terms of cultivated area and volume of tea produced, with reference to the whole industry, small holdings and the estate sector. Land devoted to tea expanded more than three and a half fold, increasing at a compound annual rate of 8 per cent, from less than ,000 hectares in 1963 to more than 76,500 hectares in 1980.[71/] During the same time span, both the estate and smallholder sectors steadily increased tea cultivation, but at different rates. Hectares planted by estates grew at a slower annual rate of per cent from less than 13 000 hectares in 1963 to just under 5 000 hectares in 1980. On the other hand, area planted by smallholders accelerated at annual average of 17 per cent surpassing 50 000 hectares in 1980.

107. As shown in Figure 1, tea estates cultivated more hectares than smallholders before 197 . Their positions were reversed after this date, and in 1980, the estates accounted for only one third of planted hectares.

10 . During the first sixteen years of KTDA's existence, the total area under tea cultivation grew at a compound annual rate of eight per cent, with estate and smallholder segments increasing at annual rates of two per cent and 16 per cent, respectively. The positive trend observed in absolute terms in both segments of the tea industry is no longer valid when the area under tea cultivation is scrutinized with reference to relative distribution between estates and smallholders. Table 9 portrays the trend of structural change within the tea industry in terms of planted hectares and volume of tea production. In 1963, the year Kenya achieved independence, estates accounted for five out of every six hectares under tea cultivation. Over a period of 17 years the proportion attributable to estates declined at annual rate

71 Kenya Tea Development Authority, Annual Reports, 1977-80.

Table 8. Performance of the Kenya Tea Sector in Terms of Planted Area and Production, 1963-1980

Year	ESTATES						Small holdings		Tea Industry	
	Brooke Bond		Other Estates		All Estates					
	Planted (hectares)	Production 1000 kgs.	Planted (hectares)	Production 1000 kgs.	Planted (hectares)	Production 1000 kgs.	Planted (hectares)	Production 1000 kgs.	Planted (hectares)	Production 1000 kgs.
1963	3 707	5 113	14 214	11 657	17 921	17 770	3 527	312	21 448	18 082
1964	3 942	6 816	14 549	12 800	18 491	19 616	4 471	525	22 962	20 240
1965	4 156	5 797	15 171	13 230	19 327	19 027	5 429	796	24 756	19 823
1966	4 238	5 637	15 864	17 209	20 102	22 846	7 238	1 572	27 340	25 419
1967	4 391	5 313	15 418	15 261	20 809	20 564	9 269	2 248	30 078	22 812
1968	4 466	7 095	16 863	19 265	21 329	26 360	12 233	3 403	33 562	29 762
1969	4 598	7 905	17 232	22 426	21 840	30 331	14 685	5 777	36 525	36 061
1970	4 668	9 052	17 724	24 049	22 289	33 101	17 385	7 376	40 272	41 078
1971	4 562	7 569	18 276	20 563	22 838	28 132	20 528	8 060	43 366	36 290
1972	5 440	12 030	17 829	28 185	23 268	40 190	25 793	13 129	49 762	53 322
1973	5 452	12 919	18 173	28 586	23 625	41 505	31 151	15 073	54 776	56 578
1974	5 465	10 446	18 522	26 812	24 007	37 259	34 548	16 180	58 735	52 440
1975	5 486	11 414	18 872	27 400	24 337	38 814	37 205	17 915	61 542	56 730
1976	5 629	11 905	19 240	29 218	24 539	40 522	41 412	21 463	65 951	61 984
1977	5 798	12 578	19 634	31 370	24 959	55 554*	43 541	30 727	68 500	86 291
1978	5 973	13 217	20 027	33 556	25 139	58 554	45 910	34 821	72 059	93 372
1979	6 153	13 879	20 426	35 915	25 474	61 451	48 575	37 634	74 300	99 275
1980	6 334	14 554	20 836	38 430	26 850	65 910	50 691	33 980	76 541	98 873
1963-80 a/	30%	5%	2%	7%	2%	7%	15%	122%	8%	10%

Source: Kenya Tea Board, and Nicola Swainson, The Development of Corporate Capitalism in Kenya, p. 252.

a/ "aagr" are initials for average annual growth rate.

of 4 per cent and approximated one third in 1980. The share of estates fell below 50 per cent after 197 and continued downward.

109. An inverse trend in percentage share of planted hectares between estates and smallholders is evident from Figure 1. In 1963, one year before the formation of the Kenya Tea Development Authority, smallholders owned less than 17 per cent of the land under tea plants. Rising at an annual rate of nearly 10 per cent the share of planted by smallholders had increased to more than 66 per cent by 1980.

110. The total amount of processed tea increased nearly five-fold from less than 40 million kilograms in 1963 to about 90 million kilograms in 1980. A growth rate of 10 per cent in the aggregate production of tea is credited to annual increase rates of 7 and 3 per cent scored respectively by estates and smallholdings. In 1964, estates processed 97 per cent of the tea, leaving but 3 per cent for smallholders. In 1980 more than one third of tea processed in Kenya was attributed to smallholders. The gap between the shares of tea processed by estates and smallholdings has progressively diminished over time, as depicted in Figure . In spite of the positive trend sustained by smallholders, estates remain in a dominant position in terms of tea manufacturing and export.

111. The trend in percentage distribution of processed tea between the two sectors for the preceeding 17 years is depicted in Figure . As in the case of percentage distribution of planted hectares, a downward trend for estates and an opposite upward tendency for smallholders in relative shares of tea processing is observable. At the beginning of this period, about 18 million kilograms of tea, an amount exceeding 98 per cent of industry output, was attributed to estates, leaving a negligible per cent for smallholders. In the interim the percentage share of tea processed by estates declined at average annual rate of 3 per cent falling to 6 per cent by 1980. In a game of zero sum the loss if one player is the gain of another. Hence a loss of 36 per cen

Table 9. Structure of the Kenya Tea Industry in Terms of Planted Area and Production, 1963-80.

Year	ESTATES						Small Holdings	
	Brooke Bond		Other Estates		All Estates			
	Planted Hectares	Production	Planted Hectares	Production	Planted Hectares	Production	Planted Hectares	Production
1963	17.28	33.81	56.28	54.46	83.56	88.27	15.44	1.72
1964	17.09	33.56	63.52	59.24	80.61	96.92	19.39	3.08
1965	16.73	29.24	61.23	66.74	78.07	95.98	21.93	4.02
1966	15.50	25.11	58.02	67.70	73.52	93.81	26.48	6.19
1967	14.60	23.29	54.55	63.86	69.15	89.15	30.82	9.85
1968	13.31	23.84	50.24	54.72	63.55	88.57	36.45	11.43
1969	12.34	21.92	47.45	52.20	59.79	84.12	40.21	15.89
1970	11.33	22.04	44.01	58.54	55.34	80.58	44.66	19.42
1971	10.52	21.50	42.14	56.67	52.66	77.77	47.34	22.23
1972	10.93	22.53	35.82	52.80	46.75	75.33	53.24	24.62
1973	9.36	22.83	33.17	50.53	43.13	73.36	55.37	26.64
1974	9.39	19.55	31.71	50.17	41.01	69.72	58.99	30.30
1975	8.68	20. 2	30.66	[illegible]	39.54	[illegible]	60.45	31.69
1976*	8.54	19.34	28.67	46.38	37.21	65.42	62.79	34.58
1977	8.46	14.68	27.83	49.80	36.29	64.38	63.71	35.62
1978	8.29	14.16	26.58	46.50	34.91	60.66	65.09	39.34
1979	8.28	13.98	25.94	40.11	34.22	52.09	65.78	37.91
1980	8.28	16.21	25.49	46.00	33.77	62.21	66.23	37.79
aagr(1963-75)a/	(5%)	(4%)	(6%)	(2%)	(6%)	(2%)	(11%)	27%
aagr(1963-80)	(4%)	(4%)	(6%)	(2%)	(5%)	(2%)	9%	20%

Source: Computed from Table I-10

a/ "aagr" stands for average annual growth.

of tea production by estates is matched by an exact amount of percentage gain by smallholders The percentage share of made tea produced by smallholdings increased from barely per cent in 1963 to about 38 per cent in 1980.

112. Since independence smallholders have made significant progress in transferring more than one third of tea processing from estates to their sector. But there still remains a long way to go before estates are replaced by smallholders as the major tea manufacturing group in Kenya. To bring about parity between the two sectors of the tea industry, the production of made tea must increase at least by 1 percentage points for smallholdrs and decline by an equal amount for estates.

(ii) Brooke Bond Leibig

113. The principal foreign company in the tea industry of Kenya is Brooke Bond Leibig. In 197 , Brooke Bond Kenya Ltd. was the third largest foreign affiliated company in terms of investment book value and undoubtedly the largest in the food and beverage sector. The subsidiary had a work force of about 15 000 people in 1976, divided between 1 000 permanent workers and 3 000 seasonal labourers.[7/]

a. Initial entry and subsequent integration

114. The involvement of Brooke Bond in the tea industry of Kenya goes back more than sixty five years to 1916, when the company named a local firm to act as sales representative for tea marketed under its trade name. A number of considerations prompted Brooke Bond to make a direct entry of the East African tea industry shortly after operating through a sales agent. In response to the rising world price of tea, sources of supply had to be increased and simultaneously diversified. Kenya offered better features of profitability than India or Srilanka (formerly Ceylon)

7/ Swainson, op. cit., pp. 54- 57.

because of lower costs of land and labour and lower taxes. An equally important consideration was the prospect of expanding into a new market by contesting a monopoly over tea import so far enjoyed by Lipton.[73/]

115. After securing monopoly over domestic distribution of tea, beginning in 19 4 the company moved upstream into tea cultivation and processing, in response to the recovery of the world tea price after World War II. Today, Brooke Bond is one of the largest tea growers and manufacturers in Kenya. In 1975, the company owned about 15 000 hectares of agricultural land, more than one third of which was planted with tea.[74/] The tea estates made up about 10 per cent of the entire area under tea cultivation that year.

116. Although company plantation expanded at average annual rate of three per cent over twelve years between the mid-1960's, in relation to the entire industry the share of Brooke Bond declined at a compounded annual rate of five per cent, and nearly halved, falling from more than 17 per cent in 1963 to less than 9 per cent in 1975.

117. As a percentage of the whole industry, Brooke Bond processes more tea than it cultivates. The percentage share of processed tea is more than twice the proportion of tea cultivated by the company. The capacity of tea factories is larger than the amount of green leaf that can be supplied by owned plantations.[75/] As a result, sources of raw materials include other estates and smallholders.

73/ The activity of Lipton is presently limited to tea export.

74/ In addition to coffee and tea, the estates also produce industrial crops such as cinchona and tara, plants whose extracts are used by the chemical and pharmaceutical industries for making drugs and chemicals for tanning. As a result of nationalist pressures to curb the economic dominance of foreign companies, Brooke Bond was barred from buying more land in Kenya since 197 .

75/ Tea factories owned by Brooke Bond Leibig in Kenya are listed in Table I-7 of the Appendix I.

b. Divestiture of marketing interest

118. For more than 50 years between 19 4 and 1977, Brooke Bond exercised monopoly over the domestic distribution of tea in Kenya. In addition to tea originating on company estates, all other concerns were legally obligated to supply Brooke Bond with 10 per cent of their output for blending, packing, labelling and subsequent distribution through a network of indigenous retail agents.

119. As a first step towards dislodging Brooke Bond from its monopoly marketing position, the company was forced to surrender all wholesale distribution to citizens in 1974. Three years later in 1977, all domestic distribution of tea was taken over by the Kenya Tea Development Authority.[76/] Kenya Tea Packers Ltd., the marketing arm of the authority, has exclusive rights over blending, packing, and selling of tea in the domestic market. About ninety per cent of Kenya tea is exported and Brooke Bond continues to dominate external sub-markets for coffee and tea.[77/]

(iii) Other estate companies

120. Estate companies other than Brooke Bond Leibig claimed more than 30 per cent of planted hectares and just under 50 per cent of production in 1975, in relation to the whole tea industry. In keeping with the general downward trend in the role of the estate sector, the percentage share of planted area and volume of

76/ Brooke Bond Leibig was also forced to relinquish to the Kenya Tea Development Authority its interests in a tea buying pool. By invoking the Trade Licensing Act, the Chamber of Commerce and the National Trading Corporation were the main activities in helping reverse the marketing roles of Brooke Bond Leibig and Kenya Tea Development Authority. During the struggle between the two organizations over the domestic distribution of tea, the Association of Kenya Manufacturers's was reported to have sided with Brooke Bond Leibig. The current chairman of the Association of Kenya Manufacturers is also the chief executive officer of East African Industries, a subsidiary of Unilever.

77/ More than 40 per cent of aggregate tea export and 8 million Kilograms of coffee was handled by Brooke Bond Mombassa Ltd. an exclusive trading subsidiary. In 1980 all estate companies took about 60 per cent of the export market, with most of the remainder going to the Kenya Tea Development Authority.

production registered differential rates of decline over twelve years between 1963 and 1975.[79] But in real terms both hectares under tea cultivation and volume of production increased at annual rates of 2 per cent and 7 per cent, respectively.

121. The other major transnational corporations in the tea industry include James Finlay and George Williamson. Among the three major estate companies in Kenya, George Williamson is the smallest. In addition to vertically integrated activities of tea growing, manufacturing and exporting, the company has extended operations in the supply of tea machinery and related engineering services. George Williamson Kenya Ltd. is also the managing agent for 8 tea factories, one of which is affiliated to the Kenya Tea Development Authority.[79] In 1979, the Chebut Tea Factory, the plant managed on behalf of KTDA, contributed more than 3 per cent to the output of made tea by all smallholder factories.

122. The presence of James Finlay & Co. on the Kenya tea scene dates back to the mid nineteen twenty's, about the same duration as that of Brooke Bond. Among the three principal transnational corporations active in Kenya, James Finlay has been the largest tea grower in the world for over 50 years. The stock Highlands Tea Estate, a wholly owned subsidiary held through the African Highlands Produce Co. Ltd., is one of the major tea-growing areas belonging to James Finlay. The figures in Table 18 suggest that James Finlay is perhaps the largest tea grower in Kenya.[80]

79/ During this period the percentage of planted hectares declined at 6 per cent, and that of volume of production by 3 per cent. Refer to Table 8.

79/ Tea factories for which George Williamson is the managing agent are listed in TableI-8 of Appendix I.

80/ According to Table 18, planted hectares by "other estates", which means James Finlay and George Williamson mostly, account for about three out of four hectares planted by the estates sector. Since George Williamson is the smallest on the list, James Finlay is left with percentage share of tea cultivated area very likely larger than that of Brooke Bond.

123. Like the other major transnational corporations vigorously involved in the industry, James Finlay has an integrated operation of tea growing, manufacturing and exporting.[81] Finlay of Kenya is also the managing agent of nine tea factories two of which belong to the Kenya Tea Development Authority. In 1979 tea factories managed for KTDA contributed more than 10 per cent of processed tea output originating from KTDA plants.

(iv) Interplay between estate companies and smallholdings

124. In 1980, about one third of cultivated area and two thirds of made tea output were credited to estates. Obviously, smallholders took about two thirds of planted hectares and one third of the output. The persistence of estates in a dominant position of processing while seemingly yielding more and more ground to the other sector, is a result of several factors. The estates sector is noted for significantly higher productivity both at the plantation and factory levels. Estates operate processing plants with an intake capacity greater than green leaf supply obtainable from own plantations. Conversely, KTDA factories run on a scale below requirements for absorbing all green leaf supplied by registered smallholders. As a result, all remaining green leaf harvested by both KTDA-registered and unregistered smallholders is funneled to estate factories. During the second half of 1970's about 5 per cent of green leaf delivered to KTDA was sold to private factories.

81/ Non-food affiliates of James Finlay in Kenya include Consolidated Misa Ltd. Hygiene Products Ltd. (paper and allied products), Finlay Industrie Ltd. (boards for decking and partition), Suex East Africa Ltd. (miscellaneous products), and House & McGeorge (pharmaceuticals). These investments are held through James Finlay (East Africa Holdings). James Finlay & Co. Ltd., Annual Report 1980.

125. Structural changes in the tea industry in which smallholders are increasingly displacing estates or transnational corporations as producers and processors are undoubtedly commendable developments, but somewhat exaggerated. For a better appreciation of further TNC involvement in the sector these trends must be understood in their proper context. Unusual as it may sound, the relationship between estates and smallholdings, to some degree, is more cooperative than competitive. The proportion of tea manufactured and exported by these foreign companies is more than the proportion of green leaf supplied by their estates. The shortfall in the supply of raw tea originating on the estates is covered by smallholders. As a result of such vested interest, TNCs have made positive contributions to the growth of smallholdings. For instance, the Tea Research Institute located at Kericho is sponsored by Brooke Bond Leibig. Estate companies have actively participated in extension services instituted to improve tea yield.

126. In addition to technical assistance in the form of extension services, TNCs have stake in smallholder factories through non-equity participation. Three TNCs in the estate sector of the tea industry, among them, are the managing agents of more than twenty factories.[8/] Nine of these plants were run on behalf of the Kenya Tea Development Authority and accounted for more than one sixth of the tea processed by small-holder factories.

(h) Beverages

127. In the sphere of beverage processing, transnational corporations as a group enjoy a dominant position in the area of hard liquor and soft drinks. Gilbeys East Africa Ltd., a subsidiary of Grand Metropolitan commands virtual monopoly over spirits. The only other distillery, local or foreign, mentioned in the Directory of Industries of the Kenya Association of Manufacturers is Kenya Distillers Ltd., a small private company that produces a local brand

8/ Refer to Tables K6-K9 in Appendix I for list of companies managed for others by Brooke Bond, James Finlay and George Williamson.

of liquor. About half of a subsidiary of Arthur Guinness, and the whole of Kenya Breweries is owned by East African Breweries. The establishment of East African Breweries, then a subsidiary of Inchcape Corporation Ltd. of Britain, dates back to early 1920.

128. The soft beverage sector is an oligopolistically competitive market, mostly among Cadburry Schweppes, Coca Cola Corporation and Pepsi Co., Inc.. In addition to its own products, Cadbury Schweppes also bottles Canada Dry and 7-Up, brands owned by other transnational corporations. Beecham is a relatively new and unimportant newcomer to the business of soft drinks, a line of activity it entered recently by acquiring an affiliate previously owned by Mitchell Cotts. All foreign affiliated firms in soft beverages are wholly-owned subsidiaries of their present companies.

2. Pattern of diversification

129. Diversification is most meaningful in a portfolio sense. According to this approach diversification is measured in terms of percentage allocation of assets among identifiable elements of the investment basket. The structure of assets or revenues, in terms of food and beverage lines manufactured by an affiliate of a transnational corporation would be one telling expression of diversification. A rather rudimentary framework for evaluating diversification adopted here is imposed by paucity of information. Diversification is measured here in terms of the number of types of foods and beverages manufactured at the four digit level of ISIC. Presumably, the larger the number of sub-sectors entered, the more diversified the company. Table 10 describes the diversification dimension of transnational affiliates based in Kenya in terms of such paradigm.

Table 10. Diversification within food and beverage processing Transnational Corporations in Kenya a/

TNC	Meat * 3111**	Dairy * 3112*	Fruits & Veg.* 3113**	Fish* 3114**	Oils & Fats* 3115**	Grain mill prod.*
9. Advait International						
1. Arthur Guinness	***	***	***	***	***	***
2. BAT Industries Ltd.	X	***	***	***	***	***
3. Beecham Group Ltd.	***	***	***	***	***	***
4. Booker McConnell	***	***	***	***	***	***
5. Brooke Bond Liebig Ltd.	***	***	1	***	***	***
6. Bruckner Kuck AG	***	***	X	***	***	***
7. Cadbury Schweppes Ltd.	***	***	***	***	***	***
8. Coca Cola Corporation	***	***	***	***	***	***
9. Cow & Gate Ltd.	***	1	***	***	***	***
10. CPC International	***	***	1	***	1	1
11. Dalmonte Corporation	***	***	X	***	***	***
12. Klinnto Aktien Gesellschaft	***	***	***	***	1	***
13. General Foods						
14. George Williamson Ltd.	***	***	***	***	***	***
15. Glaxo Holdings Ltd.	***	1	***	***	***	***
16. Grand Metropolitan Ltd.	***	***	***	***	***	***
17. Hoechst AG	***	***	***	***	***	***
18. ICP Unitoni Perugirin						
19. James Finlay & Co. Ltd.	***	***	***	***	***	***
20. J. Lyons & Co. Ltd.	***	1	1	***	***	***
21. Marshall Ltd.	***	***	X	***	***	X
22. Mitchell Cotts Group	***	***	2	***	***	***
23. Nestle Alimentana SA	***	1	1	***	***	***
24. Pepsico, Inc.	***	***	***	***	***	***
25. Pfizer Corporation	***	***	***	***	***	***
26. Unilever Ltd.	***	***	***	***	6	***
27. Wrigley W.M. Jr. Co.	***	***	***	***	***	***
Number of TNCs	1	4	9	0	3	2
Number of brands		15			8	2

Source: As for Table 5

a/ The figures at the coordinates of a TNC and a food secto manufactured by corresponding foreign company. "X" st

* Sector. ** ISIC No.

by affiliates of

315 **	Bakery prod.* 317 **	Sugar * 318 **	Confec.* 319 **	Edible prep.* nesoi.* 321 **	Animal foods* 322 **	Spirits * 311 **	Wine* 312 **	Beer* 313 **	Soft bev.* 314 **	All foods* 311-312 **	All bev.* 311-313 **	All foods & bev.* 311-313 **
				X						1		1
***	***	***	***	***	***	***	***	1	***	***	1	1
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	***	***	***	***	***	***	1	***	1	1
***	1	***	***	***	***	***	***	***	***	1	***	1
X	***	***	***	X	***	***	***	***	***	2	***	3
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	2	***	***	***	***	***	3	1	1	2
***	***	***	***	***	***	***	***	***	4	***	1	1
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	3+1	***	***	***	***	***	***	***	***	4
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	X	***	***	***	***	***	***	1	***	1
***	***	***	***	***	***	***	***	***	***	1	***	1
***	***	***	***	***	10	***	***	***	***	***	1	1
***	***	***	***	X	***	***	***	***	***	1	***	1
***	***	***	X	***	***	***	***	***	***	1	***	1
X	***	***	***	***	***	***	***	***	***	3	***	3
***	***	***	X									
***	***	***	X	***	***	***	***	***	***	2	***	2
***	***	***	1	***	***	***	***	***	***	3	***	3
***	***	***	***	***	***	***	***	***	X	***	1	1
***	***	***	***	2	***	***	***	***	***	1	***	1
***	***	***	1	***	***	***	***	***	***	3	***	3
***	***	7	***	***	***	***	***	***	***	1	***	1
4	1	3	8	3	1	0	1	5	24	6	43	
2		15	6+1	2	10		1	15	37			

or stand for the number of known brands in the sector
nds for direct TUC involvement in the sector

(a) Diversification within foods and beverages

130. The activities of foreign-affiliated companies in food and beverage processing in Kenya are more specialized than diversified. The conclusion emerges from a low 'diversification quotient' for the whole group and the preponderance of specialization among them. More than 75 per cent of the companies listed in Table 10 engage in a single line of food or beverage processing. On the average, a transnational corporation in this sample group manufactures about 1.5 food and beverage lines at the four-digit level of the International Standard of Industrial Classification. No significant differences exists among those engaged in diversified lines of food manufacturing.[83/]

131. The number of food and beverage processing lines in which the remaining foreign companies are involved varies very narrowly from two for Cadbury Schweppes (confectionery, soft drinks), Marshall Ltd. (fruits and vegetables) and Mitchell Cotts (fruits and vegetables, tea and coffee) to three for Brooke Bond Leibig (fruits and vegetables, bakery products, tea and coffee), CPC International (fruits and vegetables, oils and fats, grain mill products, spices and seasonings), J. Lyons (dairy, fruits and vegetables, bakery products), Nestle (dairy, fruits and vegetables, instant coffee) and Unilever (fruits and vegetables, oils and fats, food flavours). Fruits and vegetables are the most common diversification outlet among companies manufacturing two or more lines of food.

(b) Activities outside foods

132. Among twenty-seven transnational corporations represented here, twelve or about forty-four per cent are also active outside

83/ CPC International manufactures four different food lines. Strictly speaking, Cadbury Schweppes is the only company engaged in both food (confectionery) and beverage (soft drinks) processing. Mitchell Cotts and Unilever also process soft beverages. These soft drinks assume the form of juices of fruits and vegetables, a food rather than beverage category according to ISIC.

the food industry.[84] The group includes Advait International (ethanol), BAT industries (tobacco), Bowman & Co. (general trading), Beecham Group (personal care goods), Brooke Bond Leibig (industrial crops), George Williamson (tea machinery supply and engineering services), Glaxo Holdings (pharmaceuticals), Hoechst (chemicals and pharmaceuticals), James Finlay (brushes, boards, pharmaceuticals, etc.,) Mitchell Cotts (shipping, forwarding, trading etc.), Pfizer Corporation (chemicals and pharmaceuticals) and Unilever (detergents and toiletries). Transnational corporations with diversified interests within and outside food processing for whom the manufacture of food is a subordinate line of business come mostly from the chemical industry and include notables such as Beecham Group Ltd. (soft drinks), Glaxo Holdings Ltd. (baby food), Hoechst (animal feeds) and Pfizer Corporation (animal feeds). BAT Industries Ltd. (poultry) and Mitchell Cotts Group Ltd. (fruits and vegetables) are two other transnational corporations with secondary involvement in food and beverage processing.[85] Among those TNCs taking food processing as a side line, BAT Industries Ltd., is the only one in which there is local ownership participation.[86]

3. Ownership control

123. Outright or majority ownership of their affiliates is a popular strategy employed by transnational corporations to ensure central control over globally far-flung direct investments. The ownership distribution of Kenya-based TNC affiliates engaged in food and beverage processing reveals supplemental evidence corroborating such observed behaviour elsewhere.

84/ The list in Table 10 includes two companies (Buitoni Perugina and General Foods) whose participation is confined to a license manufacturing arrangement with House of Manji and P. J. Products, two private local firms.
85/ Mitchell Cotts is a British multinational with diverse interests and long history of operation in Kenya.
86/ 40 per cent of Kenya Poultry Development Co. Ltd., a BAT subsidiary, is owned by Kenya Government through the Agricultural Development Corporation. Refer to Table 1.

(a) Holding of parent companies

134. The average holding of parent companies covered here approaches 90 per cent equity interest in their affiliates.[87] The maximum portion of equity participation left open for private local investors and the government approximates 10 per cent. The estimate is based on figures in Table 11, where the ownership distribution of foreign affiliated firms between foreign and local interests are compiled.

135. Twenty-nine of the thirty-five affiliates sampled here are sub sidiaries in which the parent company has majority ownership interest. 1 of these affiliates, a proportion approaching three quarters of the entire group, are wholly-owned subsidiaries. Sub-sectors of the food and beverage processing industry where companies operate wholly-owned subsidiaries consist of soft drinks (Beecham Group Ltd., Cadbury Schweppes Ltd., Coca Cola Corporation, Pepsi Co., Inc.); tropical beverages (George Williamson Ltd., James Finlay & Co. Ltd.); baby food (Cow & Gate Ltd., Glaxo Holdings Ltd.,); fruits and vegetables (Mitchell Cotts Group); animals feeds (Hoechst AG, Pfizer Corporation); and confectionery (Wrigley W.M. Jr. C.).

136. On the basis of transnational corporation covered here, a highly representative group for those involved in food and beverage processing, a very small minority of about five TNC parents are observed to accept a minority ownership position. Transnational corporations having minority ownership of food affiliates include Advait International (food essences and ethanol) Booker McConnel (sugar), Pruckner Werk AG (fruits and vegetables) and Elianto Aktien Gesselschaff (edible oil).

87/ The list of subsidiaries in Tables 10 and 11 does not include affiliates operating exclusively outside food and beverage processing.

Table 11. Ownership distribution between Foreign and Local Interests of TNC Affiliated Companies Operating in the Food and Beverage Processing Sector of Kenya

Principal TNC and affiliates	Holding of Principal TNC %	Holding of Kenya Govt. %	Holding of other local owners %
1. Arthur Guinness			
Guinness (E.A.) Ltd.	51.00	***	49.00
2. AAT Industries Ltd.			
Kenya Poultry Development Co. Ltd.	60.00	40.00	
3. Bauman & Co.			
ABC Foods	...	...	...
4. Beecham Group Ltd.			
Beecham of Kenya Ltd.	100.00	***	
5. Booker McConnell			
Mumias Sugar Co. Ltd.	6.00	85.00	9.00
6. Brooke Bond Leibig Ltd.[a/]			
Brooke Bond Kenya Ltd.	78.00	20.00	2.00
Kenya Tea Blenders Ltd.	100.00	***	***
Brooke Bond Mombasa Ltd.	100.00	***	***
Kabazi Canners	30.00	***	70.00
7. Bruckner Werk AG			
Pan African Vegetable Products	49.46	50.54	...
8. Cadbury Schweppes Ltd.			
Cadbury Schweppes Holdings Ltd.	100.00	***	***
9. Coca Cola Corporation			
Coca Cola (Africa) Ltd.	100.00	***	***
10. Cow & Gate Ltd.			
Cow & Gate (E.A.) Ltd.	100.00	***	***
11. CPC International			
CPC Kenya Ltd.	58.04	41.50	***
12. Delmonte Corporation			
Kenya Canners Ltd.	96.00	2.00	2.00
13. Elianto Aktien Gesslschaft			
Elianto Kenya Ltd.	26.00	30.00	44.00

a/ Ownership interest of parent company estimated on the basis of information in Swainson, Development of Corporate in Kenya, pp. 250-264. Refer to Table I-6 for list of tea factories owned by Brooke Bond Leibig Kenya Ltd.

Table 11. Ownership distribution between Foreign and Local Interests of TNC Affiliated Companies Operating in the Food and Beverage Processing Sector of Kenya (cont'd)

Principal TNC and affiliates	Holding of Principal TNC %	Holding of Kenya Govt. %	Holding of other Local owners %
14. George Williamson Ltd.			
George Williamson Kenya Ltd.	100.00	...	...
15. Glaxo Holdings Ltd.			
Glaxo East Africa Ltd.	100.00	***	***
16. Grand Metropolitan Ltd.			
Gilbeys East Africa Ltd.	54.00	16.00	30.00
17. Hoechst AG			
Hoechst East Africa Ltd.	100.00	***	***
18. James Finlays & Co. Ltd.			
James Finlay East Africa Holdings	100.00	***	***
Stork Highlands T2A Estates Ltd.	100.00	***	***
African Highlands Produce Co. Ltd.	100.00	***	***
19. J. Lyons & Co. Ltd.			
Lyons J. & Co. (K) Ltd.	100.00	***	***
Lyons Maid (E.A) Ltd.	100.00	***	***
20. Marshall Ltd.			
Kenya Orchards	...	...	...
21. Mitchell Cotts Group			
Mitchell Cotts Kenya Ltd.	100.00	***	***
Mitchell Cotts Estates Ltd.	100.00	***	***
Associated Packers	100.00	***	***
22. Nestle Alimentana SA			
Food Specialities Kenya Ltd.	88.00	12.00	***
23. Pepsico, Inc.			
Pepsico, Inc. (E.A. Branch)	100.00	***	***
24. Pfizer Corporation			
Pfizer Laboratories Ltd.	100.00	***	***
25. Unilever Ltd.			
E.A. Industries Ltd.,	55.00	45.00	***
26. Wrigley W.M. Jr. Co.			
Wrigley Company (E.A.) Ltd.	100.00	***	***

Source: Compiled from forms of annual return filed with the Registrar General of Companies for 1980.

137. In terms of frequency count, minority ownership position is less preferred to non-equity participation.[88] Among subsectors of food and beverage processing, where non-equity forms of working arrangements are in evidence between local firms and TNCs, are counted dairy (Tetra Pak of Denmark), cereals (General Foods of USA and IBP Buitoni Perugina of Italy) tea (Brooke Bond Leibig, George Williamson, and James Finlay all of UK) beer (Arthur Guinness of UK), sugar (Booker Agricultural International of UK, Technisucre of France and Mehta Group of India and soft drinks (Canada Dry, 7-Up). Local firms with which food oriented transnational corporations enter into non-equity arrangements encompass private companies (House of Manji, P.J. Products), public companies (Mumias Sugar Company, Chemlil Sugar Company, East African Sugar Industries), parastatal organizations (Kenya Tea Development Authority) and farmers' co-operatives (kenya Co-operative Creameries).

(b) Pattern of ownership preference

138. A closer look in Table 11 into the ownership distribution of food and beverage processing firms identified with TNCs suggests an interesting pattern from which some implications can be drawn about the degree of preference transnational corporations indicated for four classes of ownership participation: whole ownership, majority ownership, minority ownership and non-equity agreements.

88/ The following transnational companies, with corresponding form of non-equity participation noted parenthetically, are instances of indirect involvement in Kenya: Arthur Guinness (technical and brand contract with Kenya Breweries), Tetra Pak (technical contract with Kenya Co-operative Creameries), Brooke Bond Leibig (management contract with Kenya Tea Development Authority), James Finlay (management contract with Kenya Tea Development Authority), George Williamson (management contract with Kenya Tea Development Authority), General Foods (license manufacture with P.J. Products), IBP-Buitoni Perugina (license manufacturing with House of Manji), Booker Agricultural International (technical and management contract with one of the sugar firms), Mehta Group (technical & management) Technisucre (technical & management), 7-Up and Canada Dry for soft drinks.

139. The large proportion of wholly-owned subsidiaries in evidence implies that the great majority favour going it alone when conditions permit. Short of outright ownership of their affiliates, TNCs are most favourably disposed to majority ownership of decisive proportion. In lines of food and beverage manufacturing, when a foreign-aff affiliated company enjoys a monopoly or a dominant market position, the degree of ownership control preferred is whole or majority holding.

140. The extent of ownership control preferred by transnational corporations is also evident from the distribution of the legal form of business organization selected for their affiliates. With very few exceptions, foreign-affiliated firms in the food industry are either private companies or registered foreign companies. These forms of business organizations offer the advantage of closely-held shares in which the interest of parent companies usually approximates 100 per cent. Instances of foreign-affiliated firms incorporating as public companies are very few.

(c) Local equity participation

141. About eleven food affiliates of transnational corporations are partly owned by local investors either through joint ventures or subsequent purchase of shares on the stock exchange. BAT Industries Ltd. (poultry), Brooke Bond Leibig (tea and coffee), Booker McConnel (sugar), Bruckner Werk (vegetables), CPC International (edible oil), Delmonte Corporation (fruits and vegetables), Flianto Aktien Gesselschaff (edible oil), Nestle Alimentana SA (dairy and coffee), and Unilever Ltd. (edible oil and fruits and vegetables) are affiliates of TNCs whose securities make up a significant part of the government. In 1970 the holding of the Kenya Government in TNC-affiliated food processing firm, through the Industrial and Commercial Development Corporation and Agricultural Development

Corporation, was valued at nearly 100 million Kenya shillings.[89/] Transnational elements make up nearly one third of food securities composing the government held portfolio. Companies from the food and beverage processing industry, including foreign-affiliated companies whose securities compose the investment portfolio of the government held through the Industrial and Commercial Development Corporation and the Agricultural Development Corporation are listed in Table 1. In addition to identification of the set of securities from food processing investment book value and government percentage holdings are presented.

142. The Industrial and Commercial Development Corporation (ICDC), a statutory body acting as a holding company for the Treasury, plays a significant role in promoting the multi phase involvement of the host country in the food industry. In this capacity, ICDC enters into joint ventures with both private local investors and transnational corporations. It is government investment institutions like ICDC that end up buying the shares of foreign affiliated firms conceding to demands of local equity participation.

143. In addition to sound financial criteria, securities included in the portfolio of ICDC must satisfy other economic considerations. In keeping with the design of national development plans, candidates for inclusion in the ICDC investment market must be agrobased, earn or save foreign exchange, contribute to rural development, utilize local inputs and generate maximum employment.

89/ The figure does not include government investments in Kenya Canners Ltd. (Delmonte Corporation), Mumias Sugar Co. Ltd. (Booker McConnel), Food Specialities Kenya Ltd. (Nestle Alimentana S.A.). According to information filed with Registrar General of Companies, the affiliates of these companies are noted as involving government participation. Refer to the Annual Reports of the Industrial and Commercial Development Corporation and the Agricultural Development Corporation for 1980.

Table 12. Affiliated of Transnational Corporations whose Securities are included in the Investment Portfolio of Kenya Government, 1979.

	Company	ICDC		ADC		Kenya Government	
		Investment Shs.	% Holding	Investment Shs.	% Holding	Investment Shs.	% Holding
1.	Agro Chemical & Food Co. Ltd.*	5 500 000	27.50	4 000 000	0.22	9 500 000	49.50
2.	Brooke Bond Leibig Kenya Ltd.*	***	***	***	***	...	20.00
3.	BAT Kenya Development Ltd.*	***	***	4 000 000	40.00	4 000 000	40.00
4.	Chemlil Sugar Company	***	***	171 507 600	...	171 507 600	...
5.	CPC Kenya Ltd.*	6 214 208	41.50	***	***	6 214 208	41.50
6.	East African Industries Ltd.*	45 021 560	34.15	***	***	45 021 560	34.15
7.	East African Sugar Industries	***	***	19 500 000	...	19 500 000	...
8.	Elianto Kenya Ltd.*	***	***	660 000	30.00	660 000	30.00
9.	Gilbeys East Africa Ltd.	-	-	-	-	-	18.00
10.	Interfood Kenya Ltd.	3 000 000	20.00	3 000 000	20.00	6 000 000	40.00
11.	Kenya Canners*	***	***	***	***		2.00
12.	Kenya Fishing Industries Ltd.	5 000 000	100.00	***	***	5 000 000	100.00
13.	Kenya Fruit Processors Ltd.	***	***	952 500	...	952 500	...
14.	Kenya Co-operative Creameries	***	***	408 750	...	408 750	...
15.	Kenya Cashew Nuts Ltd.	5 587 900	32.87	**	***	5 587 900	32.87
16.	Kenya Molasses and Cattle Feeds	***	***	524 000	...	524 000	...
17.	Kenya Wine Agencies	11 250 000	75.00	***	***	11 250 000	75.00

Source: Annual Reports of the Industrial and Commercial Development Corporation and the Agricultural Development Corporation for 1979, and forms of Annual Return filed with the Registrar General of Companies for 1980.

* Companies affiliated to transnational corporations.

... Figures unknown.

Table 12. Affiliated of Transnational Corporations whose Securities are included in the Investment Portfolio of Kenya Government, 1979 (cont'd)

	Company	ICDC		ADC		Kenya Government	
		Investment Shs.	% Holding	Investment Shs.	% Holding	Investment Shs.	% Holding
18.	Kuraiha Estates Ltd.	***	***	426 660	...	426 660	...
19.	Milling Corporation of Kenya Ltd.	6 500 000	75.00		***	6 500 000	75.00
20.	Mount Kenya Bottlers	2 520 000	43.00	***	***	2 520 000	43.00
21.	Mumias Sugar Co. Ltd.*	***	***	***	***	...	85.00*
22.	Muus Kenya Ltd.*	***	***	750 000	26.00	750 000	26.00*
23.	Food Specialities Kenya Ltd.	***	***	***	***	...	12.00
24.	Pan African Vegetable Products*	7 509 140	38.43	2 398 300	12.11	10 007 940	40.54*
25.	Rift Valley Bottlers Ltd.	2 580 000	43.00	***	***	2 500 000	43.00
26.	Salt Manufacturers Ltd.*	3 051 250	25.00	***	***		
27.	Total	106 334 050		208 328 320		315 112 370	45.00

144. In 1979, the investment portfolio of over 50 securities held by ICDC had a book value of Kshs. 6[illegible] million and earned dividends of about Kshs. [illegible]3 million. Over forty per cent (1 firms) of these securities were from the food and beverage processing industry. Securities from the food industry included in the ICDC portfolio were book valued at Kshs. 107 million or at more than 40 per cent of the investment basket. The same year, ICDC interest in the food affiliates of transnational corporations was bookvalued at Kshs. 154 million which is about half of the book value of ICDC investment in all food industry stocks. Securities of TNC affiliates composing ICDC portfolio include Agro-Chemical and Food Company Ltd. (7.5 per cent), CPC Kenya Ltd. (41.6 per cent), East African Industries Ltd. (34.15 per cent), Pan African Vegetable Products (38.43 per cent), and 5 per cent of the shares of Salt Manufacturers Ltd.[90/] ICDC wholly owns Kenya Fishing Industries Ltd. and has 75 per cent controlling interest in each of Kenya Wine Agencies and the Milling Corporation of Kenya.

145. The Industrial and Commercial Development Corporation and the Agricultural Development Corporation (ADC) have different origins but they fulfill two similar tasks. Both institutions are vigorously involved in the promotion of resource-based industries and in the Ministry of Agriculture. In 1979, the investment portfolio of ADC in the food industry had a book value of more than Kshs [illegible]00 million. More than 90 per cent of the value of ADC investment portfolio consists of securities from the sugar industry. The investment value of TNC-affiliated food securities amounts to less than three per cent of the investment portfolio and includes BAT Kenya Development Ltd. (poultry), Flianto Kenya Ltd. (oils and fats), and Muus Kenya Ltd. (animal feeds).[91/]

90/ The products of these companies are industrial alcohol and yeast (asco chemical and food Company Ltd.), i oils and fats (CPC East African Industries Ltd., Pan African Vegetable Products) and salt (Salt Manufacturers Ltd.).

91/ An ADC brochure (1980) entitled "The Role of the Agricultural Development Corporation refers to unspecified Danish partners in conjunction with part ownership of Muus Kenya Ltd.

146. In addition to managing a large investment portfolio of agro-based industrial securities and leasing government land, ADC is directly involved in agricultural activities of crop and livestock production. Recent events in Kenya regarding issues of ownership distribution merit some attention here. In early 1970, the government of Kenya created the Capital Issues Committee under the Treasury and New Project Committee under the Ministry of Commerce and Industry as a step toward controlling flow of capital out of the country and flow of capital into industry.92/ Concession on local equity participation, prevention of bids by transnational corporations to take over local going concerns, restriction on transfer of stock between foreigners and Kenyans are steps employed by the Capital Issues Committee in pressuring transnational corporations to accept most country equity participation in their subsidiaries. Because of the low level of savings prevailing in the economy, the government usually end up buying the securities of foreign-affiliated companies that are cajoled into making a public offering of their shares. A recent development involving Brooke Bond Kenya Ltd. and the Capital Issues Committee is an interesting case in point concerning host country attitude towards equity participation in foreign-affiliated companies. In 197 , in terms of asset book value Brooke Bond was ranked as the third largest transnational corporation with integrated interest in tea and coffee production, processing and distribution.93/ On the eve of its reconstitution as a public corporation, the investments of Brooke Bond in Kenya were distributed in proportions of 75 per cent estates, 15 per cent food processing and distribution, and 10 per cent non-food activities. For more than 50 years

92/ The New Projects Committee evaluates the implications of direct foreign investments for employment, rural development, foreign exchange savings or earnings, use of local inputs, etc., and negotiates terms of investment with TNCs. Swainson, op.cit., p. 210.

93/ In 1972, Brooke Bond investments were distributed as 75 per cent estates, 15 per cent food processing and distribution, and 10 per cent non-food investments. In 197 , Brooke Bond employed more than 12,000 workers, Ibid.

since it opened shop in Kenya Brooke Bond Kenya Ltd. was a wholly-owned subsidiary of the parent company. In 197 it was pressured by the Capital Issues Committee into reconstituting its Kenya affiliate as a public company and offering part of the shares to local investors. Subsequent to this, 13 per cent of the equity of Brooke Bond Kenya Ltd. was acquired by the host country, split 11 per cent and per cent between the Treasury and private local investors, respectively.

CHAPTER IV

TRANSNATIONAL CORPORATIONS IN THE FOOD AND BEVERAGE PROCESSING INDUSTRY OF ZIMBABWE

A. Economic structure of Zimbabwe

1. Agriculture

147. Agriculture and industry together accounted for a little less than 50 per cent of Zimbabwe's gross domestic product and nearly 60 per cent of its active labour force of 515 000 in 1978.[94/] Agriculture alone employed more than 341 000 people or 34 per cent of the actively engaged labour force and contributed more than 15 per cent to aggregate gross domestic product.

2. Industry

148. During most of 1970's the level of gross domestic product in Zimbabwe averaged 1.67 billion Zimbabwe dollars and registered a nominal growth rate of 8 per cent. Industry contributed about 40 per cent of the gross domestic product.[95/] During the decade of 1970's the gross industrial product grew faster by an annual rate of one percentage point than the whole economy. Industrial wage employment runs to about one quarter of a million and constitutes about a quarter of aggregate employment. The industrial activities of Zimbabwe for the period 1970-78 are described in Table 13.

94/ Republic of Zimbabwe, Central Statistical Office, National Accounts of Zimbabwe Rhodesia, 1978 (Salisbury, Government Printer, 1980), pp. 1-6 and Ministry of Trade and Commerce, Basic Facts on the Economy of Zimbabwe (July 7, 1981), pp. 8-15.

95/ In this context also, industry is composed of mining and quarrying, manufacturing and construction only. The analysis in this section is based on data covering 1970-78, published by The Central Statistical Office, Census of Production (Salisbury, 1978/79), pp. 7-1 and TableII.3-II-12 in the Appendices.

) Z$)

1973	1974	1975	1976	1977	1978	Annual Average	Per cent of Industry
813	216 886	217 198	265 358	280 928	279 383	202 052	13.58
719	1 198 596	1 318 809	1 350 759	1 369 547	1 470 034	1 093 691	73.55
631	231 592	243 504	218 952	209 183	188 543	192 355	12.87
163	1 647 074	1 779 511	1 835 079	1 859 658	1 937 960	1 488 096	100.00
514	59 559	80 979	103 703	117 152	110 634	75 933	9.11
080	721 539	788 316	808 520	636 200	867 857	655 052	78.56
463	129 799	134 094	109 050	106 736	95 629	102 309	12.33
057	921 097	1 303 389	1 021 273	1 060 088	1 074 120	833 794	100.00
299	147 227	136 219	161 676	163 759	168 756	126 120	19.28
539	476 957	530 493	542 239	533 347	602 159	438 637	67.04
167	101 801	109 497	109 902	101 690	92 903	89 459	13.68
105	725 985	776 209	813 817	798 806	863 818	654 217	100.00
943	42 632	49 776	61 249	65 285	67 092	45 835	16.16
770	193 086	223 242	237 906	247 811	262 544	188 909	65.19
185	61 143	65 460	59 372	62 205	56 952	54 042	18.65
906	296 861	338 478	358 527	375 401	386 588	289 786	100.00
082	55 434	57 811	58 859	56 676	53 248	55 092	22.60
859	148 082	152 181	146 629	141 233	138 471	136 138	55.85
974	63 238	59 320	51 621	47 942	41 201	52 533	21.55
915	263 684	269 312	257 109	245 851	233 620	243 762	100.00

, The Census of Production, 1978/79
, 97.

Table 13. Structure of Zimbabwe Industry, 1970-1978 ('000 Z$)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual Average	Per cent of Industry
Gross Output											
Mining	128 681	122 845	138 352	168 813	216 886	217 198	265 368	280 928	279 383	202 052	13.58
Manufacturing	615 597	722 700	829 452	967 719	1 198 596	1 318 809	1 350 759	1 369 547	1 470 034	1 093 691	73.55
Construction	121 341	145 825	176 520	195 631	231 592	243 504	218 952	209 183	188 543	192 355	12.87
Industry	865 619	991 370	1 144 344	1 332 163	1 647 074	1 779 511	1 835 079	1 859 658	1 937 960	1 488 096	100.00
Total Purchases											
Mining	42 851	43 180	51 722	63 514	69 659	80 979	103 703	117 152	110 634	75 933	9.11
Manufacturing	367 463	429 133	496 263	580 080	721 639	788 316	808 520	636 200	867 857	655 052	78.56
Construction	54 147	79 560	96 805	109 463	129 799	134 094	109 050	106 736	95 629	102 809	12.33
Industry	474 461	551 873	644 791	753 057	921 097	1 303 389	1 021 273	1 060 088	1 074 120	833 794	100.00
Net Output (GDP)											
Mining	85 830	79 665	86 640	105 299	147 227	136 219	161 675	163 769	168 756	126 120	19.28
Manufacturing	248 134	293 567	333 199	387 639	476 957	530 493	542 239	533 347	602 159	438 637	67.04
Construction	57 194	66 266	79 715	86 167	101 801	109 497	109 902	101 690	92 903	89 459	13.68
Industry	391 158	439 498	499 554	579 105	725 985	776 209	813 817	798 806	863 818	654 217	100.00
Wages and Salaries											
Mining	29 974	32 890	34 670	37 943	42 532	49 776	61 249	65 285	67 092	46 835	16.16
Manufacturing	106 428	124 285	142 105	162 778	193 086	223 242	237 905	247 811	262 544	188 909	65.19
Construction	37 783	41 401	48 775	53 185	61 143	65 460	59 372	62 305	56 952	54 042	18.65
Industry	174 185	198 576	225 550	253 906	296 861	338 478	358 527	375 401	386 588	289 785	100.00
Average number employed											
Mining	51 730	54 539	52 747	54 082	55 434	57 811	58 859	56 676	53 248	55 092	22.60
Manufacturing	108 199	121 134	131 522	137 859	148 012	152 181	146 629	141 233	138 471	135 138	55.85
Construction	44 982	50 699	55 815	57 974	63 238	59 320	51 521	47 942	41 201	52 533	21.55
Industry	204 911	226 372	240 085	249 915	263 684	269 312	257 109	245 851	233 620	243 762	100.00

Source: Republic of Zimbabwe, Central Statistical Office, The Census of Production, 1978/79 (Salisbury: Government Printer, 1979), pp. 7-21, 97.

3. Mining and construction

149. In terms of gross product and wages and salaries, mining and construction account for nearly one third of industrial activities. During the 1970's mining and construction posted a slower growth than the whole industrial sector.

150. Mining and construction industries absorb disproportionately high levels of total industrial employment. Nearly evenly distributed between the two, mining and construction account for about 45 per cent of total industrial employment.

4. Manufacturing

151. Manufacturing is by far the most important sector of industry in Zimbabwe. It accounts for two thirds of the gross industrial product, a proportion about two times as much as the gross agricultural product. During the first eight years of the 1970's net output from the manufacturing sector posted average annual growth rate in excess of nine per cent.

152. Manufacturing employs more than half of the industrial labour force and pays about two thirds of industrial wages and salaries. The disproportion between the structure of industrial wages and salaries on one hand, and industrial employment on the other hand, implies that the manufacturing sector also pays higher wage rates than other sectors of industry.

B. Role of foods and beverages in external trade

153. According to external trade figures covering the second half of the 197's, Zimbabwe is a net exporter of foods - a very rare distinction among so-called third world countries. During four years between 1975 and 1978 total annual exports and imports averaged about Z$ 556 million and Z$ 410 million, respectively. 96/ During the same period exports increased at a compound annual rate of four per cent, while imports declined by three per cent. Table 14 summarizes the external trade of Zimbabwe in foods and beverages in terms of a four-year average of figures covering 1975-1978.

96/ The analysis in this section is based on external trade figures for 1975-78. For details refer to Table II-1 and II-2.

Table 14. Structure of Zimbabwe External Trade in Processed Foods and Beverages, 1975-78 a/

Items	Export		Inport		Trade Balance	
	Amount	Percent	Amount	Percent	Amount	Percent
Meat	33 509	42.21	416	7.50	33 193	53.49
Dairy	862	1.25	122	2.20	740	1.19
Fruits and vegetables	473	0.69	370	6.67	103	0.17
Fisheries	***	***	1 336	24.09	(1 336)	(2.15)
Oils and fats	344	0.50	0.5	0.01	343	0.55
Grain mill products	2 621	3.84	1 254	22.62	1 367	2.20
Sugar	22 624	33.14	198	3.57	22 436	36.16
Confectionery	159	0.23	10	0.19	149	0.19
Miscellaneous foods, NEC	5 570	8.15	1 116	20.12	4 454	7.18
Animal feeds	2 031	2.97	723	13.03	1 309	2.11
All processed foods	68 304	99.65	5 546	85.42	62 758	101.13
All processed beverages	243	0.35	946	14.58	(703)	(1.13)
All processed foods & beverages b/	68 547	63.80	6 492	72.96	62 055	62.98
Primary foods b/	38 889	36.20	2 406	27.04	36 483	37.02
Processed & primary c/	107 436	19.34	8 898	2.17	98 538	67.36
All goods	555 460		409 169		146 291	

Source: Computed from Table II-1 and II-2 in Appendix II.

a/ All amounts are in thousand Zimbabwe dollars and represent four year averages, covering 1975-1978.
b/ Per cent of processed and primary.
c/ Per cent of total external trade.

154. Foods and beverages make up a respectable proportion of Zimbabwe's external trade. During the second half of the 1970's the export of foods and beverages averaged more than Z$100 million annually, an amount equal to about twenty per cent of aggregate export earnings. On the aggregate Zimbabwe exports one and a third times the value of goods it imports; in the specific case off foods, exports an about twelve times the value imports. Hence, net foreign exchange flows associated with external food transactions cover a hefty two thirds of all visible balance of trade. Food exports and imports registered a general decline during the second half of the 1970's with food imports recording the largest annual fall of 30 per cent and exports declining by 6 per cent.

155. In the 1970's export of unprocessed primary food commodities averaged nearly Z$ 40 million annually, an equivalent of more than one third of all food commodities than it imports. Cereals, tropical beverages, fruits and vegetables and live animals compose the package of exports in primary food commodities. Maize takes up about three quarters of all unprocessed food exports or more than one quarter of primary and processed foods and beverages exported. 0 per cent of the remaining quarter of primary food exports is filled by coffee, with the other 5 per cent going to fruits and vegetables and live animals.

156. Processed food and beverage commodities contribute more than 60 per cent of the trade surplus accruing from all external food transactions. For every dollar of processed food or beverage bought externally, eleven dollars-worth of processed foods and beverages are exported. Imported food represents less than 10 per cent of the value of food exported from Zimbabwe. Principal items of food imports include grain mill products, fish and beverages; the later two of which Zimbabwe is a net importer, cover nearly half of the country's food and beverage imports.[97/] Meat, sugar and tropical beverages are the three most important export food lines[98/] and account for more than 90 per cent of the country's export earnings from processed foods. Meat is Zimbabwe's

97/ The fact that Zimbabwe is a net importer of beverages explains an apparent anomally in Table14 , whereby the trade balance on all processed foods as a per cent of all processed foods and beverages is more than 100 per cent by 1.13 per cent, the exact proportion of trade deficit attributed to beverages categorically.
98/ Beef, raw sugar, and tea together cover more than three quarters of Zimbabwe's processed food exports.

leading item of processed food export and averaged more than Z$ 30 million annually during the second half of the 1970's.[99] About half of the country's foreign exchange earnings accruing from foreign sales of processed foods and beverages is credited to meat, nearly 90 per cent of which is further attributed to frozen and chilled beef. Sugar is the second ranking item of processed food export. Between 1975 and 1978 annual sugar exports averaged more than Z$ .0 million, a figure comparable to one third of the value of processed food exports.

C. Profile of food and beverage processing

1. Significance as manufacturing activity

157. Food and beverage processing is a major manufacturing activity in the Zimbabwe economy. According to a government study, about half of the active labour in the country works in food industries, directly and indirectly making up what is designated as "the country's food system".[100] Gross output generated by the food and beverage processing sector annually averaged just under Z$ 300 million, an amount exceeding that of mining of construction by nearly fifty per cent and making up more than one quarter of the gross manufacturing output. The gross domestic product of about Z$ 85 million attributed about 0 per cent of all manufacturing and is nearly equal to the whole of construction. The food and beverage processing sector employed more than 5 000 workers, about half the number employed in the construction industry or 0 per cent shy of the total manufacturing work force. It paid in wages and salaries in excess of

99/ The Cold Storage Commission, a parastatal organization, is vested with monopoly over the export of all meat other than a canned meat. In the case of Zimbabwe, therefore, the government has direct and complete ownership control over the export of the country's principal food commodity. All business organizations engaged in meat production are required by law to sell all meat animals to Colcom. This is an interesting case of direct government intervention in dow.stream processing and marketing activities of the country's important food commodity. Agricultural Marketing Authority, Economic Review of the Agricultural Industry of Zimbabwe (Salisbury, Government Printer, 1980), pp. 33-37.

100/ Republic of Zimbabwe, Agricultural Marketing Authority, Economic Review of the Agricultural Industry of Zimbabwe (Salisbury, Government Printer, 1980), p.3.

Z$ 30 million, a figure approaching 0 per cent of total manufacturing wages and salaries and approximately two-thirds that of mining or construction.

158. In light of the central theme of this paper, but also on its own merit as an economic grouping of sizable proportion, further inquiry into the internal structure of food and beverage processing is amply justified here.

159. For the decade of 1970's up to 1978, the gross output of processed foods and beverages averaged just under Z$300 million annually and was distributed about 80 per cent foods and 20 per cent beverages. About 60 per cent of the gross domestic product generated by food and beverage processing annually during the 1970's is attributed to the food sub-group.

160. In terms of workers employed, wages paid and net investments made, the food processing sector covers more than 70 per cent of total manufacturing.

2. Internal structure

161. As a framework of analysis in this section, the food and beverage processing is categorized into meat; a mixed bag of dairy, fisheries, oils and fats, sugar and tropical beverages, hereby designated sugar and others; fruits and vegetables; cereal-based products including grain mill products, bakery products, and animal feeds; confectionery; alcoholic beverages; and soft drinks and mineral waters.[101/] The structure of Zimbabwe's food and beverage processing industry described in Table 15 is based on this framework.

101/ Such framework is imposed by the manner of reporting in the Census of Production. At the four digit level of ISIC, some subsectors of food and beverage processing are lumped together. Ironically enough, four out of five subsectors, for which separate data are available, account for barely 60 per cent of the domestic product contributed by food and beverage processing, and include fruits and vegetables, bakery products, confectionery. On the other hand, major food lines, such as sugar and tropical beverages are aggregated with insignificant activities like fisheries and oils and fats.

Table 15. Structure of Zimbabwe Food and Beverage Processing Industry, 1970-78 ('000 Z$)

ISIC	Meat		Dairy, Fisheries Oils, Fats, Sugar Misc.		Fruits & Vegetables		Grain Mill Products Animal Feeds		Bakery Products		Confectionary		Spirits, Wine, Beer		Soft Drinks & Mineral		All Foods		All Beverages		All Foods and Beverages	
	3111		3112, 3114, 3115 3118, 3121		3113		3116, 3122		3117		3119		3131, 3132 3133		3134		3111-3134		3131-3134		3111-3134	
Indicators	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Gross Output	81 636	27.70	66 790	22.68	3 069	1.04	55 823	18.96	26 067	8.85	5 136	1.74	42 396	14.40	13 576	4.61	238 521	81.00	55 972	19.00	294 493	100
Purchases	70 775	33.70	47 856	22.80	2 055	1.00	44 118	21.00	18 390	8.77	3 073	1.47	16 444	7.84	7 029	3.35	186 267	88.80	23 473	11.19	209 740	100
Net Output	10 861	12.80	18 935	22.30	1 015	1.20	11 705	13.80	7 676	9.10	2 063	2.40	25 953	30.60	6 546	7.70	52 253	61.70	32 498	38.30	84 752	100
Wages & Salaries	5 174	15.80	8 064	24.50	563	1.70	4 868	14.80	3 881	11.80	842	2.60	6 745	20.50	2 712	8.30	23 393	71.20	9 457	28.80	32 850	100
Service Fees	21 015	12.50	35 168	21.00	2 211	1.32	29 123	17.40	13 829	8.25	3 097	1.85	48 036	29.00	14 470	8.60	10 443	62.30	63 166	37.70	167 609	100
Advertising	118	6.32	543	29.08	19	1.02	228	2.21	25	1.34	37	1.98	430	23.03	466	24.96	371	52.01	396	47.99	1 867	100
Head Office Charge			84	65.10					2	1.60	21	16.30	22	17.10			107	82.90	22	17.10	129	100
Royalties	6	0.70	257	30.00	5	0.60	5	0.60	2	0.20			580	67.70	2	0.20	275	32.10	582	68.00	857	100
Net Investment	3 855	27.40	3 566	25.30	114	0.80	1 492	10.60	768	5.50	266	1.90	3 091	22.00	922	6.60	10 061	71.50	4 012	28.50	14 073	100
Employment	4 160	16.30	5 800	22.80	910	3.60	3 759	14.70	3 767	14.80	942	3.70	4 327	17.00	1 833	7.20	19 317	75.80	6 160	24.20	25 478	100

Source: Computed from Tables Z3-Z12 in Appendix 2.

Table 16. Internal Structure of Sectors of Zimbabwe Food and Beverage Processing Industry, 1970-78.

	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Gross Output	81 636	100	66 790	100	3 069	100	55 823	100	26 067	100	5 136	100	42 396	100	13 576	100	238 521	100	55 972	100	294 493	100
Purchases	70 775	86.70	47 856	71.65	2 055	66.96	44 118	79.03	18 390	70.55	3 073	59.83	16 444	38.79	7 029	51.78	186 267	78.09	23 473	41.94	209 740	71.22
Net Output	10 861	13.30	18 935	28.35	1 015	33.07	11 705	20.79	7 676	29.44	2 063	40.17	25 953	61.22	6 546	48.22	52 253	21.91	32 493	58.06	84 752	28.78
Wages & Salaries	5 174	6.34	8 064	12.07	563	18.34	4 868	8.72	3 881	14.89	842	16.39	6 745	15.91	2 712	19.98	23 393	9.81	9 457	16.90	32 850	11.15
Gross Operating Profit		6.96		16.28		14.73		12.25		14.55		23.78		45.31		28.24		12.10		41.16		17.63
Service Fees	21 015	25.74	35 168	52.65	2 211	72.04	29 123	52.17	13 829	53.05	3 097	60.30	48 696	114.86	14 470	106.59	10 443	4.38	63 166	12.87	167 609	56.91
Advertising	118	0.14	543	0.81	19	0.62	228	0.40	25	0.10	37	0.72	430	1.01	466	3.43	971	0.41	896	1.61	1 867	0.64
Head Office charge			84	0.13					2	0.008	21	0.41	22	0.05			107	0.04	22	0.04	129	0.04
Royalties	6	0.007	257	0.38	5	0.16	5	0.009	2	0.008			580	1.37	2	0.015	275	0.12	582	1.04	857	0.29

Source: Computed from Tables T7-3 to T7-12 in Appendix II.

162. Meat, cereal-based products, alcoholic beverages and sugar and others are the most outstanding groups of the lot, accounting for nearly 90 per cent of output and employment.

163. In terms of value of gross output and utilization of domestic material inputs, meat processing is the leading food line. In the 1970's, gross output of processed meat was valued at an annual average of more than Z$ 80 million, an amount exceeding one quarter of gross output of the entire food and beverage processing sector. The fraction of material inputs, predominantly domestic, utilized in meat processing is about one third of that of the whole food and beverage processing industry.

164. In terms of most indicators, cereal-based products, embracing three four-digit level ISIC food processing classes, is another leading set. Cereal processing boasts both the longest payroll pages and the highest payroll figures, approaching 30 per cent of industry aggregate. More than one quarter of gross output originating in the food and beverage processing sector, or material inputs absorbed by it, are attributable to cereals processing.

165. Alcoholic beverages contributed about one third of the gross domestic product credited to food and beverage processing, but less than half this figure of the gross output. The alcoholic beverages sector is unique on two scores generation of comparatively highest gross domestic product and lowest proportion of material input utilization.

166. Soft drinks and mineral waters, confectionery, fruits and vegetables and fisheries products and only about 10 per cent to the industry's gross output and 15 per cent to employment.

167. If details of production account (material inputs, service inputs, net output, wages and salaries, operating profit, etc.) were available by individual subsectors at ISIC four-digit level, analysis of the structure of production cost would yield some revealing insights about the internal structure of different sectors

of the food and beverage processing industry. The following brief analysis is such an attempt. Unfortunately, the accounts of several sub-sectors are lumped together as pointed out earlier and call for cautious and selective interpretation of the figures in Table 16.

168. In meat and cereal processing more than three quarters of the value of the output is attributed to material input. The proportion of labour value embodied in processed meat and cereals is one of the lowest in the industry. In beverage processing, the proportion of material inputs is very low compared to that of food processing. As a per cent of gross output, material inputs incorporated in beverages and foods are about 40 per cent and 80 per cent, respectively. Alcoholic beverages stand out for utilizing the lowest proportion of material input (less than 40 per cent) and for generating the highest net output and the highest operating profit. In spite of high gross product characterizing alcoholic beverages, the value of labour embodied in the product is just above average.

169. In sectors of food and beverage processing where the dominant share of output value is material input, the contribution of the sector to net output tends to be on the low side. For soft drinks, fruits and vegetables and confectionery, the labour component of gross output tends to be one of the highest in the industry, the material component one of the lowest.

D. Involvement of transnational corporations

170. The degree of importance of transnational corporations active in food and beverage processing, including those engaged in the production of primary food commodities, is a conclusion resulting directly from the contribution of the food sector to the national economy and, in turn, the contribution of transnational components to the food and beverage sector. The evidence presented below portrays these TNCs both individually and as a group as an economic constituency of material significance.

171. Generalizations made about transnational corporations investing directly in the production and processing of food and beverage commodities in Zimbabwe are based on a sample of about twenty transnational parents[10/] listed in Table 17. The number represented here runs to a sample size larger than ninety per cent of the population. The group is examined with respect to distribution across different lines of food and beverage processing, product diversification, product differentiation, vertical integration and ownership control as the principal terms of reference.

1. Distribution among sub-sectors

172. In a competitive setting the market power of a supplier is inversely proportional to the number of firms in the market. other things being equal, the larger the number of firms, the lower the concentration ratio, and the more diminished the market power of any competitor. The scenario would hold if products were homogenous and firms were of equl size. But a broad category of food such as dairy embraces diverse types like butter, ice cream and cheese. Statements about market power without reference to its internal sub-markets (butter, milk, cream, cheese, etc.) conveys a limited meaning. On account of these limitations, implications about market power based on the number of companies represented in a sub-sector of food or beverage processing must be cautiously interpreted. On the average, there are about three and one half transnational corporations operating in a sector of the standard fifteen sub-sectors of food and beverage processing. Comparable figures for food processing and beverage processing, separately, are about 3.90 TNCs for food processing and beverage processing, separately, are about 3.90 TNCs for foods and 1.30 TNCs for beverages. The guest list

10/ The companies were identified from information contained in three principal sources: Confederation of Zimbabwe Industries, Register and Buyers' Guide (Salisbury, CZI, 1980), C. Stoneman,"Foreign Capital in Zimbabwe in UNCTAD, Zimbabwe Towards a New Order (UNCTAD/MFD 19):

D/G/ Clarke, Foreign Companies and International Investment in Zimbabwe. op.cit. One likely area of partial omission is non-equity participation by TNC's, particularly of the Licensing and trade-name type.

Table 16. Affiliates of Transnational Corporations in the Food and Beverage Processing Industry of Zimbabwe

Parent and affiliate	Home Country	Principal food line
1. Albright & Wilson Ltd.		
Bush, Boake Allen, S.A. (Pvt) Ltd.[a]	South Africa	Flavours & essences
2. Anglo American Corporation[b]	South Africa	
Hippo Valley Estates Ltd.		Sugar
National Foods Ltd.		Cereal based
Mazoe Citrus Estates[c]		Citrus fruits
Mkwasine Estates[d]		Sugar
3. Anglo Transvaal Industries Ltd.	South Africa	
T.W. Becket Rhodesia (Pvt) Ltd.[e]		Tropical beverage
Tanrose (Pvt) Ltd.		" "
Tanrose Foods (Pvt) Ltd.		" "
Cerebos Foods (Pvt) Ltd.		" "
4. Brooke Bond Leibig Ltd.	Great Britain	
Leibig (Rhodesia) Ltd.		Meat
National Cannners (Pvt) Ltd.		Fruits & vegetables
5. Cadbury Schweppes Ltd.	Great Britain	
Scheweppes (Central Africa) Ltd.[f]		Soft drinks
Beverage Bottling Co. (Pvt) Ltd.		Soft drinks
6. Grand Metropolitan Ltd.		
African Distillers Ltd.[g]		Spirit & Wine
& Gilberts Distillers (1957) Ltd.		Spirit
Worrington Vine Yards		Wine
Rhotala Winery		Wine
Ferrata Winery		Wine
7. Hueletts Corporation	South Africa	
Traingle Estates Ltd.		Sugar
8. Imperial Cold Storage & Supplies Ltd.	South Africa	
Nuanetsi Ranch		Meat
9. J. Lyons & Co. Ltd.	Great Britain	
Lyons Brooke Bond (Pvt) Ltd.		Tropical Bev. & dairy
10. James Finlay & Co. Ltd.		
James Finlay & Co. (Pvt)[h] Ltd.	Great Britain	Tea

Table 16 (continued)

Parent and affiliate	Home Country	Principal food line
11. Lonrho Ltd.	Great Britain	
Rhodesia Wattle Co. Ltd.		Meat & Cereals
12. McLeod, Russel & Co. i/	Great Britain	
Eastern Highlands Tea Estates (Pvt) Ltd.		Tea
13. Nestle Alimentana SA	Switzerland	
Food Specialities (pvt) Ltd.		Dairy & baby foods
14. Reckitt & Coleman	Great Britain	
Reckitt & Coleman (Rhodesia) Ltd.		Flavours & animal feeds
15. South African Breweries	South Africa	
Delata Corporation		Beer
National Breweries		Standard beer
Heinrich's Chibukuk Breweries		Indigenous beer
Rhodesia Wines (Pvt) Ltd.		Wine
16. Spillers Ltd.	Great Britain	
Rhodesia Milling Co.(Pvt) Ltd. i/		Grain mill products
17. Tate & Lyle Ltd.	Great Britain	
Rhodesia Sugar Refineries Ltd.		Sugar refining
Rhodesia Sugar Distributors (Pvt) Ltd.		Sugar distribution
T. J. Hayes (Pvt) Ltd.		Sugar distribution
Davis Marketing (Pvt) Ltd.		Sugar distribution
Gilletti (Pvt) Ltd.		Sugar distribution
18. Unilever Ltd.	Great Britain	
Lever Brothers (Pvt) Ltd.		Oils and fats
Planters and Importers (Pvt) Ltd.		Oils and fats

Table 16 (continued)

Parent and affiliate	Home Country	Principal food line
19. Wittington Investments Ltd. k/		
Aroma Bakeries (Pvt) Ltd.		Bakery products
Cobbans Bakery (Pvt) Ltd.		Bakery products
Impala Milling Co. (Pvt) Ltd.		Grain mill products
Shabani Millers (Pvt) Ltd.		Grain mill products
Wightman & Co. (Pvt) Ltd.		Cereal based products

Source: Compiled from D.G. Clarke, Foreign Companies and International Investment in Zimbabwe (Gwelo; Mambo Press, 1980); C. Stoneman "Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order (UNCTAD/MFD 19); and Confederation of Zimbabwe Industries, Register and Buyer's Guide (Salisbury: CZI, 1980).

a/ This is a division of the South African subsidiary of Albright & Wilson.

b/ Most interests of the Anglo American Corporation in Zimbabwe is funnelled through Anglo American Corporation Rhodesia Ltd. and Security Nominees Ltd.

c/ Mazoe brand named soft drinks bottled by Schweppes (Central Africa) Ltd. are supplied with citrus fruits either through supply contract arrangement between Cadbury Schweppes and Anglo American or Cadury Schweppes is involved in upstream activities of primary citrus production.

d/ Mkwasine Estates has lately switched its production activities from other crops to grain.

e/ The relationship between Anglo Transvaal Industries and Taganda Tea Estates Ltd. is unclear, the latter a locally controlled company with a significant share of tea output. Tanrose (Pvt) Ltd. is sometimes attributed to Anglo Transvaal and some times with Tanganda as an affiliate. Each of these two companies are known to market products manufactured by the other.

f/ Cadbury Schweppes are also bottlers of Pepsi Cola, Coca Cola, and Canada Dry trade marks, perhaps, through a reciprocal licensing arrangement.

g/ The intermediaries between Grand Metropolitan Ltd., and African Distillers Ltd. are the following subsidiaries of the former: International Distrillers and Vintners Ltd. Great Britain, Oude Meester Cellers Ltd. and Stellenbosch Farmers' Winery Ltd. of South Africa.

h/ As reported in the 1980 company annual report activities are described as miscellaneious. At the time the company was negotiating minority investment in an agricultural enterprise.

i/ Through Cessnock Holdings, a subsidiary.

j/ Through Farina Securities Ltd.

k/ Wittington Investments Ltd. is the parent company of Associated British Foods, The same food affiliates are contested by both Premier Milling Co. of South Africa and Associated British Foods. Each company itemizes the same affiliates in Zimbabwe as its subsidiaries.

of TNCs hosted by food and beverage lines varies from one transnational corporation each for meat (Brooke Bond Leibig Ltd.), confectionery and soft drinks (Cadbury Schweppes Ltd.), spirits (Grand Metropolitan Ltd.) and beer (South African Breweries) to eight TNCs for tropical beverages (Albright & Wilson Ltd., Anglo-American Corporation, Anglo Transvaal Industries, Lyons Co. Ltd., James Finlay & Co. Ltd., Mcleod, Russel & Co. Nestle Alimentana SA, Reckitt & Coleman). Among the five food and beverage sectors with single TNC representation, the market power of subsidaries approaches monopoly for beer (Delta Corporation) and soft drinks (Schweppes Central Africa Ltd.) and is dominant for spirits and wine (African Distillers Ltd.)[103/] The beverage sector is the most concentrated segment with commensurate market power.

173. The other sectors where the field is relatively crowded with transnational corporations are fruits and vegetables with six TNCs (Anglo-American Corporation, Anglo-Transvaal Industries, Brooke Bond Leibig, Cadbury Schweppes, J. Lyons & Co. and Unilever Ltd.); animal feeds with five TNCs (Anglo-American Corporation, Brooke Bond Leibig, Hueletts Corporation Reckitt & Coleman, Associated British Foods); and bakery products with five TNCs (Anglo-American Corporation, Nestle Alimentana SA, Reckitt + Coleman, Unilever Ltd., Associated Pritish Foods). Three lines hosting four transnational corporations, a figure exceeding the group average, register dairy (Anglo-American Corporation, J. Lyons & Co. Ltd., Nestle Alimentance SA, Unilever Ltd.); grain mill products (Anglo-American Corporation, Lonrho Ltd., Spiller Ltd, Pittington Ivestments) and sugar (Anglo American Corporation, Hueletts Corp., Tate and Lyle Ltd., Lonrho Ltd.).

103/ A small fraction of indigenous beer is bottled by municipal breweries. A significant share of the market, however, is controlled by Heinrich's Chibuku Breweries, an affiliate of South African Breweries. Willards Foods, a domestically controlled company, has some share of the wines and spirits market. Clarke, op. cit., pp. 8, 34.

Next to beverages, fisheries and oils and fats are product lines not frequented by more than two TNCs: fisheries (Brooke Bond Leibig, Tate & Lyle); oils and fats (Anglo-American Corporation, Unilever Ltd.)

2. Product diversification

174. Another prominent feature of TNC affiliates in the food and beverage processing industry in general is their preference for diversification, both within and outside food and beverage processing, as an important investment strategy. On the basis of the variety of lines of products manufactured by Zimbabwe affiliates of transnational corporations described in Table 18, the pattern of diversified growth observed in the UNCTC study on Transnational corporations in food and beverage processing is not different here. Some twenty transnational corporations covered in this study average about two and one half food and beverage product lines.[104/] When the sector is disaggregated into its food and beverage subsets, the "diversification factor", for seventeen TNCs from food and three from beverage, figures to more than two and half for food lines and less than two for beverage lines. The number of food and beverage lines manufactured by a TNC vary from one for Albright & Wilson Ltd. (flavours). James Finlay & Co. Ltd. (tea), Spillers Ltd. (gain mill products) to eight for the Anglo-American Corporation (dairy, fruits and vegetables, oils and fats, grain mill products, bakery products, sugar, sauce, animal feeds).[105/] The two major TNCs represented in four sectors are Brooke Bond Leibig Ltd. (meat, fruits and vegetables, fisheries, animal feeds) and Unilever Ltd. (dairy, fruits and vegetables, oils and fats, bakery products).[106/]

104/ In this context a product line means one of the fifteen types of foods and beverages (3111-3134) according to the four - digit International Standards of Industrial Classification.

105/ The figure cited here for the broadly diversified involvement of the Anglo American Corporation in food and beverage processing does not take into account indirect participation by this TNC through other investment venues, such as, some food and beverage elements composing the portfolio of Security Nominees and RAL Nominees, both controlled by Anglo American Corporation.

106/ In this context tropical beverage is used to encompass all items grouped under ISIC 3121, including spices, essences, and flavours.

Table 17. Practices of product diversification and diferentiati
transnational corporations with Zimbabwe affiliates

	TNC	Meat* 3111**	Dairy* 3112**	Fruits & vegetables 3113**	Fisheries* 3114**	Oils & fats* 3115**	Grain mill* 3116**	Bakery* 3117**
1.	Albright & Wilson Ltd.							
2.	Anglo American Corp.		x[a/]	2[b/]		1	2	4
3.	Anglo Transvaal Industries Ltd.			1				
4.	Brooke Bond Leibig Ltd.	3		5	x			
5.	Cadbury Schweppes Ltd.			1				
6.	Grand Metropolitan Ltd.							
7.	Hueletts Corporation							
8.	J. Lyons & Co. Ltd.		2	1				
9.	James Finlay & Co. Ltd.							
10.	Lonrho Ltd.						x	
11.	Mcleod, Russel & Co.							
12.	Nestle Alimentana SA		7					2
13.	Premier Milling						x	
14.	Reckitt & Coleman							1
15.	South African Breweries							
16.	Spillers Ltd.						x	
17.	Tate & Lyle Ltd.				x			
18.	Unilever Ltd.		2	2		15		1
19.	Wittington Investment Ltd.						2	1
	Number of TNCs	1	4	6	1	2	5	5
	Number of brands	3	11	12	0	16	4	9
	Number of lines	-	-	-	-	-	-	-

Source: As for Table 17.

a/ "x" stands for the involvement of corresponding transnat

b/ The figures in the cells refer to the number of brands m
transnational corporations in the sector, according to
of Zimbabwe Industries.

* Sector.

** ISIC No.

n by food and beverage processing

Sugar* 3118**	Confectionery* 3119**	Tropical beverage* 3121**	Animal feeds* 3122**	Spirits* 3131**	Wine* 3132**	Beer* 3131**	Soft drinks* 3134**	Food lines* 3111-3122**	Food brands* 3111-3122**	Beverage lines* 3131-3134**	Beverage brands* 3131-3134**	Food & beverage* lines 3111-3134**	Food & beverage* brands 3111-3134**
		x						1	-	-	-	1	-
x		x	4					8	13	-	-	8	13
		16						2	17	-	-	2	17
			1					4	9	-	-	4	9
	1						11	2	2	1	11	3	13
				49	32			-	-	2	81	2	81
x			x					2	-	-	-	2	+
		28						3	31	-	-	3	31
		x						1	-	-	-	1	-
x								2	-	-	-	2	3
		3						1	3	-	-	1	3
		3						3	12	-	-	3	12
			x					2	2	-	-	2	4
		3	2					3	5	-	-	3	5
					x	9		-	-	2	9	2	9
								1	-	-	-	1	-
1								2	1	-	-	2	1
								4	20	-	-	4	20
			1					3	4	-	-	3	4
4	1	8	6	1	2	1	1	17	11	3	3	19	13
1	1	53	8	49	32	9	11		118		101		219
-	-	-	-	-	-	-	-	44	-	5	-	49	-

onal corporation in the sector.
nufactured by corresponding
the 1980 issue of Register & Buyer's Guide published by the Confederation

175. There are six transnational companies whose diversification level of three product lines slightly exceeds the average for the entire group: Cadbury Schweppes Ltd. (fruits and vegetables, confectionery, soft drinks); J. Lyons and Co. Ltd. (dairy, fruits and vegetables, tropical beverages); Nestle Alimentana SA (dairy, bakery products, tropical beverages); Reckitt and Coleman (bakery products, flavours, animal feeds); and Associated British Foods (grain mill products, bakery products, animal feeds).

176. Seven companies have diversified interest in both food and non-food activities. This group of transnationals includes Anglo-American Corporation (mining, agriculture, timber, cement, real estate, banking and finance, etc.); James Finlay and Co. Ltd. (nickel mining); Unilever Ltd. (soaps and detergents); and Reckitt and Coleman (pharmaceuticals, polishes, cleansers).

177. Transnational corporations with a record of involvemnnt in food and beverage processing elsewhere, but only active outside this sector in Zimbabwe, merit mention here.[107/] This group includes BAT Industries (tobacco), Beecham Group Ltd (pharmaceuticals), Colgate-Palmolive Co. (detergents and toiletries); Glaxo Holdings Ltd. (pharmaceuticals). Hoechst AG (chemicals and pharmaceuticals), Mitchell Cotts Group Ltd. (automotive, shipping, forwarding, insurance, etc) and Pfizer, Inc. (chemicals and pharmaceuticals).[108/] Five out of these seven companies are in chemical and allied industries.

3. Product differentiation

178. The affiliates of transnational corporations manufacture more than two hundred brands of foods and beverages across the whole spectrum of the standard fifteen sub-sectors, averaging about fifteen

107/ Refer to CTC, "Transnational Corporations in Food and Beverage Processing (ST/CTC 19), p. 24- 31.
108/ Their Zimbabwe affiliates are BAT Central Africa Ltd (BAT); Dermacult Rhodesia (Pvt. Ltd. and Hill and Murray (Rhodesia) Ltd. (Beecham); Colgate-Palmolive (pvt.) Ltd. (Colgate-Palmolive); Geddes Ltd. (Glaxo); Hoechst Rhodesia Co. (pvt.) Ltd. (Hoechst); Datsun Distributors (Rhodesia) Pvt. Ltd and other subsidiaries (Mitchell Cotts); Pfizer (pvt) Ltd. (Pfizer).

brands for each food or beverage line. Brands are distributed fifty-five per cent and forty-five per cent between foods and beverages, each type numbering 1 0 food brands and 100 beverages brands. Observations about brands of foods and beverages manufactured by Zimbabwe-based affiliates of transnational corporations are summarized in table 18.

179. Nearly one hundred twenty brands of foods spread across eleven sub-sectors (3111-3122), rounded off to an average of eleven brands for each line of processed food. Food lines processing relatively fewer number of brands include fish (0), sugar (1), confectionery (1), meat (3), grain mill products (4), and animal feeds (8). Sub-sectors of food processing characterized by a moderately large number of brands cover dairy (11), fruits and vegetables (1), and brands for oils and fats (16). Tropical beverages are the most highly differentiated class of processed foods, with more than fifty brands internally distributed as follows: coffee (16), tea (1) and food flavours and essences (16).

180. The distribution of brands among four beverage sub-sectors (3131-31 4) is as follows: spirits (49), wine (3), beer (9) and soft drinks and carbonated waters (11). Alcoholic beverages claim about ninety per cent of all beverage brands, and hard liquor accounts for nearly fifty per cent of them.

181. Thirteen of the twenty transnational corporations covered here are responsible for processing more than two hundred brands of foods and beverages. This figure translates to an average of about 17 brands for the group of thirteen and of some 1 brands for all TNCs manufacturing foods and beverages. The maximum number of brand names offered individually by about fifty per cent of the TNCs is less than ten with the following composing the group: Brooke Bond Leibig (9), McLeod, Russel and Co. (3), Reckitt and Coleman (6), South African Breweries (9), Tate and Lyle (1), and Associated British Foods (14). Among household words, Unilever Ltd. manufactures twenty brands across four food lines, fifteen brands of which are oils and fats. Four companies are

identified with a sizeable number of food and beverage brands Anglo-American Corporation (13), Anglo Transvaal Industries Ltd.(17) Cadbury Scheweppes (13) and Nestle (1). J. Lyons and Co. pushes more than thirty brands of foods composed of coffee (1), tea (11) and flavours and essences (8). Grand Metropolitan is behind more than eighty brands of spirits and wine.

182. Brand advertising is the largest item of cost in product promotion. In the following section product promotion is briefly disucssed in terms of the share of advertising in gross output. It should be noted that these figures are for all companies in each sub-sector, including both foreign and local firms.

183. During the 1970's annual spending on advertising averaged just under two million Zimbabwe dollars and was almost evenly divided between the food and the beverage sector[109/] On the average, the food and beverage processing industry allocates less than one per cent of its gross output for advertising. Comparable figures for foods and beverages are less than one-half of one per cent and more than one-and-one-half per cent, respectively. As per cent of gross output, beverages spent nearly four times as much as food on advertisnng. These figures suggest that as a group, beverages are more amenable to product differentiation than foods. Soft drinks are the leading advertisers, claiming about one quarter of the industry spending on advertising. More than three per cent of the gross output deriving from soft drinks is absorbed by advertising expense.

184. Fruits and vegetables, bakery products and confectionery account for less than five per cent of the amount manufacturers of foods and beverages spend on promotion. Meat and bakery products are two food lines on the lower side of industry average with respect to the share of advertising in gorss output. A group embracing dairy, fisheries, oils and fats, sugar and tropical

109/ Interestingly, brand names are also fairly evenly distributed between foods and beverages. Refer to Tables 16 and 18. The analysis in this section is based on figures presented in Table 18.

beverages takes up about a third of the industry's promotional budget. Tropical beverages, especially with regard to advertising and product differentiation, are the most important element in the group.[110/]

4. Vertical integration

185. Integrated operations of production, processing and distribution are one of the prominent features of foreign-affiliated companies manufacturing foods and beverages in Zimbabwe. Transnational companies involved in the production of primary commodities and the types of commodities produced are summarized in Table 19.

186. Ten transnational corporations, or half of those covered here, are actively involved in the production of primary food commodities encompassing seven different crops (sugar, tea, maize, wheat, citrus, grapes, ground nuts) and cattle ranching. The set of TNCs in this class are Anglo-American Corporation (sugar, maize wheat, cattle, citrus); Brooke Bond Liebig (cattle, tea); Hueletts (sugar, wheat, ground nuts, cattle); Lonrho (sugar, maize, cattle); Tate and Lyle (sugar); Grand Metropolitan (grapes); McLeod and Russel (tea); Anglo Transvaal (tea); and Imperial Cold Storage (cattle).[111/] Six of these companies have interest in downstream processing activities that may ostensibly use raw materials supplied by a sister affiliate upstream. TNCs in this category consist of Anglo-American Corporation (grain production and processing); Brooke Bond Liebig (tea growing and processing, meat production and canning); Grand Metropolitan (vineyard and winery); Tate and Lyle (sugar production, refining, and distribution); McLeod and Russel (tea growing and processing); and Anglo Transvaal (tea growing and processing). Table 20 summarizes the involvement of transnational corporations in the food industry of Zimbabwe in terms of the three phases of production, processing and distribution.

110/ At least 40 brands of coffee and tea are identified with TNCs with Zimbabwe affiliates. Refer to Table 18.

111/ A cross-indexing of TNC involvement in the production of primary food commodities results in cattle (Anglo-American Corporation, Brooke Bond Liebig, Imperial Cold Storage, Lonrho); sugar (Anglo-American Corporation, Hueletts, Tate and Lyle); tea (Brooke Bond Liebig, McLeod and Russel, Anglo-Transvaal, James Finlay); maize (Lonrho, Anglo-American Corporation); wheat (Anglo-American Corporation, Hueletts); citrus (Anglo-American Corporation); grapes (Grand Metropolitan); ground nuts (Hueletts).

Table 13. Transnational Corporations Engaged in the Production of Primary Food Commodities in Zimbabwe

	Company	Crop line	Cattle	Citrus	Grapes	Ground nuts	Maize	sugar	tea	wheat	total
1.	Anglo American Corporation		X	X			X	X		X	5
2.	Brooke Bond Liebig Ltd.		X						X		2
3.	Grand Metropolitan Ltd.				X						1
4.	Hudletts Corporation		X			X		X		X	4
5.	Imperical Cold Storage & Supplies Ltd.		X								1
6.	Lonrho Ltd.		X				X	X			3
7.	McLeod, Russel & Co.								X		1
8.	Anglo Transvaal Industries Ltd.								X		1
9.	James Finlay & Co. Ltd.								X		1
10.	Tate & Lyle Ltd.							X			1
	Total		5	1	1	1	2	4	4	2	20

Source: Compiled from D.G. Clarke, Foreign Companies and International Investment in Zimbabwe, (Gwelo; Mambo Press, 1980); C. Stoneman "Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order (UNCTAD/MFD 19); and Confederation of Zimbabwe Industries, Register and Buyer's Guide (Salisbury CZI, 1980).

187. The market power of transnational corporations engaged in production of sugar, meat, tea and citrus ranges from dominant to significant. The production of sugar is characterized by a case of duopoly where sugar cane production and first phase processing are divided, half-and-half, between Anglo-American Corporation and Hueletts Corporation, both headquartered in Johannesburg. With only two TNCs of common allegiance existing in sugar production, the sector remains a sphere of South African monopoly.

188. TNC control of meat production is estimated at 150 000 heads of cattle or about three per cent of national herd, and 000 000 hectares of land. Between them, Brooke Bond Leibig and Lonrho own more than 1.5 million hectares of ranching land and more than 100 000 heads of cattle . In addition, Brooke Bond is the second largest grower of tea in Zimbabwe.[112/] Mazoe Citrus Estates of the Anglo-American family supplies a significant segment of the fruit market.

189. Eight transnational companies perform distribution functions integrated with their processing lines and those of other fellow TNCs. Among transnational corporations engaged in marketing activities are listed National Foods of Anglo-American Corporation. Tancose of Anglo-Tranvaal, African Distillers of Grand Metropolitan, Delta Corporation of South African Breweries, Schweppes (Central Africa) Ltd. of Cadbury Schweppes, Rhodesia Sugar Distributors (pvt) Ltd. of Tate and Lyle, Whightman and Co. (Pvt.) Ltd. of Associated British Foods, and Leibigs (Rhodesia) Ltd. of Brooke Bond Leibig Ltd.. South African Breweries (Delta Corporation) has a marketing power over the distribution of standard and indigenous beer approximat ing that of monopoly. Grand Metropolitan (African Distillers) and South African Breweries (African Distillers) have a dominant marketing position in the distribution of a full line of spirits and wines, including imported brands. Tate and lyle owns some distribution outlets and relies on the marketing facilities of other TNC affiliates in some localities, such as those of Anglo-American Corporation (National Foods) and Associated British Foods (Wightman and Co. (Pvt.) Ltd).

112/ Clarke, op. cit., pp. 53-56.

Table 19. Phases of TNC Involvement in the Food Industry of Zimbabwe

Company		Production	Processing	Distribution
1. Albright & Wilson Ltd.	(UK)		X	
2. Anglo American Corporation	(SA)	X	X	X
3. Anglo Transvaal Industries Ltd.	(SA)	X	X	X
4. Brooke Bond Liebig Ltd.	(UK)	X	X	X
5. Cadbury Schweppes Ltd.	(UK)		X	X
6. Coca Cola Corporation a/	(USA)			
7. Grand Metropolitan Ltd.	(UK)	X	X	X
8. Hueletts Corporation	(SA)	X	X	
9. Imperial Coldstorage & Supplies Ltd.	(SA)	X		
10. J. Lyons & Co. Ltd.	(UK)		X	
11. James Finlay & Co. Ltd.	(UK)	X		
12. Lonrho Ltd.	(UK)	X	X	
13. McLeod, Russel & Co.	(UK)	X	X	
14. Nestle Alimentana SA	(SUSI)		X	
15. Pepsi Co. Inc. a/	(USA)			
16. Premier Milling	(SA)		X	X
17. Reckitt & Coleman	(UK)		X	
18. South African Breweries	(SA)		X	X
19. Spillers Ltd.	(UK)		X	
20. Tate & Lyle Ltd.	(UK)	X	X	X
21. Tiger Oats and National Milling	(SA)		X	X
22. Unilever Ltd.	(UK/NLD)		X	X
23. Wittington Investments Ltd.	(UK)		X	X
Total		10	18	9

Source: Compiled from D.G. Clarke, Foreign Companies and International Investment in Zimbabwe (Gwelo: Mambo Press, 1980); C. Stoneman "Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order (UNCTAD/MFD 19); and Confederation of Zimbabwe Industries, Register and Buyer's Guide (Salisbury CZI, 1980).

a/ Non-equity participation.

190. The roster of transnational companies with ownership interests at integrated phases of food production, processing and distribution contains Anglo-American Corporation, Tate and Lyle, Anglo-Transvaal and Brooke Bond Leibig Ltd.. Anglo American Corporation controls affiliates involved in the production processing, and distribution of cereals and cereal products. Tate and Lyle has business interests in companies engaged in the production, refining and marketing of sugar. Anglo Transvaal and Brooke Bond Leibig are very visible in the principal phases of production, processing, and distribution of tea.

5. Ownership control

191. A most outstanding feature of transnational corporations involved in the food and beverage processing sector of Zimbabwe economy is the degree of ownership control excercised over their affiliates both individually and as a group.

192. Seventeen transnational corporations control more than forty food and beverage affiliates between them, averaging about two and one-half affiliates per parent.[113/] The ownership structure of these affiliates merits a brief treatment here. As a group transnational corporations investing directly in food and beverage processing and about eighty per cent of the shares of their affiliates. That leaves a maximum of twenty per cent ownership control to local investors.

(a) Parent company holdings

193. The ownership distribution of TNC affiliates in the food processing industry of Zimbabwe is presented in Table 21 in terms of holdings of parent companies, holdings of foreign companies other than those of the parent TNC and holding concentration at ten-shareholder level. The average percentage

113/ The generalizations in this section are based on a sample of forty-one affiliates controlled by seventeen TNCs. Refer to Table 21.

Table 20. Ownership Distribution of TNC Affiliates Operating in Food and Beverage Manufacturing in Zimbabwe

Principal TNC and affiliates	Holding of principal TNCs	Holding of other TNCs	Total TNCs holding	Holding concentration at 10 shareholder level
1. Albright & Wilson Ltd.				
Bush, Boake Allen, S.A. (Pvt) Ltd.	100.00	—	100.00	100.00
2. Anglo American Corporation				
Hippo Valley Estates Ltd.	39.30	21.00	60.30	70.40
Mazoe Citrus Estates	100.00	—	100.00	100.00
National Foods Ltd.	42.80	26.60	69.40	86.20
Mkwasine Estates	50.00	50.00	100.00	100.00
3. Anglo Transvaal Industries Ltd.				
T.W. Becket Rhodesia (Pvt) Ltd.	s[a/]	...	...	...
Tanrose (Pvt) ltd.	s	...	...	...
Tanrose Foods (Pvt) Ltd.	s	...	...	...
Cereboe Foods (Pvt) Ltd.	s	...	...	...
4. Brooke Bond Liebig Ltd.				
Liebig Rhodesia Ltd.	100.00	—	100.00	100.00
National Canners (Pvt) Ltd.	100.00	—	100.00	100.00
5. Cadbury Schweppes Ltd.				
Schweppes (Central Afr.) Ltd.	54.80	24.84	79.64	91.10
Beverage bottling Co. (Pvt) Ltd.	100.00	—	100.00	100.00
6. Grand Metropolitan Ltd.				
African Distillers Ltd.	31.45	50.55	82.00	83.10
Gilberts Distillers (1957) Ltd.	100.00	—	100.00	100.00
Worrington Vineyards	100.00	—	100.00	100.00
Rhotala Winery	50.00	...	50.00	50.00
Ferrata Winery	50.00	...	50.00	50.00
7. Hueletts Corporation				
Triangle Estates Ltd.	100.00	—	100.00	100.00
8. J. Lyons & Co. Ltd.				
Lyons Brooke Bond (Pvt) Ltd.	67.00	33.00	100.00	100.00
9. Lonrho Ltd.				
Rhodesia Wattle Co. Ltd.	100.00	—	100.00	100.00
10. Mcleod, Russel & Co.				
Eastern Highlands Tea Estates (Pvt.) Ltd.	s	...	...	...
11. Nestle Alimentana SA				
Food Specialities (Pvt) Ltd.	100.00	—	100.00	100.00

Source: Clarke, Foreign Companies in Zimbabwe and C. Stoneman, "Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order.

a/ "s" stands for subsidiary.

Table 20. Ownership Distribution of TNC Affiliates Operating in Food and Beverage Manufacturing in Zimbabwe (cont'd)

Principal TNC and affiliates	Holding of principal TNCs	Holding of other TNCs	Total TNCs holding	Holding concentration at 10 shareholder level
12. Reckitt & Coleman				
Reckitt & Coleman (Rhodesia) Ltd.	s	...	...	...
13. South African Breweries				
Delta Corporation	75.90	11.10	87.00	89.90
National Breweries	100.00	-	100.00	100.00
Heinrich's Chibuku Breweries	70.20	6.40	76.60	86.10
Rhodesia Wines (Pvt) Ltd.	30.00	...	...	...
14. Spillers Ltd.				
Rhodesia Milling Co. (Pvt) Ltd.	100.00	-	100.00	100.00
15. Tate & Lyle LTd.				
Rhodesia Sugar Refineries Ltd.	50.10	11.60	61.70	76.30
Rhodesia Sugar Distributors (PVt) Ltd. b/	69.27	...	69.27	69.27
T.J. Hayes (Pvt) Ltd. b/	100.00	-	100.00	100.00
Davis Marketing (Pvt) Ltd. b/	100.00	-	100.00	100.00
Gilletti (Pvt) Ltd. b/	100.00	-	100.00	100.00
16. Unilever Ltd.				
Lever Brothers (Pvt) Ltd.	100.00	-	100.00	100.00
Planters and Importers (pvt) Ltd.	100.00	-	100.00	100.00
17. Wittington Investments Ltd. c/	s	...	s	s
Aroma Bakery	s	...	s	s
Cobbans Bakery	s	...	s	s
Impala Milling Co. (Pvt) Ltd.	s	...	s	s
Shbani Millers (Pvt) Ltd.	s	...	s	s
Wightman & Co. (Pvt) Ltd.	s	...	s	s

b/ Marketing subsidiary of Rhodesia Sugar Refineries.

c/ The same subsidiaries are claimed by Premier Milling of S.A.

ownership of a subsidiery by a TNC parent is estimated around seventy-five per cent.[114/] The number of majority or fully controlled subsidiaries approaches ninety per cent. Seventeen of these affiliates (41%) are fully owned subsidiaries. The roster of transnational corporations excercising exclusive ownership of their affiliates lists Albright and Wilson Ltd. (Bush, Poake Allen, SA (Pvt. Ltd.); Brooke Bond Leibig Ltd. (Leibig Rhodesia Ltd., National Canners (Pvt Ltd.); Hueletts Corporation (Triangles Estates Ltd.); Lonrho Ltd. (Rhodesia Wattle Co. Ltd); Nestle Alimentana S.A. (Food Specialities (Pvt Ltd.); Spillers Ltd. (Rhodesia Milling Co. (Pvt. Ltd.) and Unilever Ltd. (Lever Brothers (Pvt. Ltd.)[115/] These companies are principally interested in condiments, meat, fruits and vegetables, sugar, grain mill products, animal feeds, dairy and oils and fats.

194. Nine affiliates of TNCs manufacturing foods or beverages register a special feature of involving the ownership of more than one transnational company. On the average, this set of affiliates is owned about one fourth by the minority group of TNCs. The shares of these affiliates are either traded on the stock exchange or the affiliate is a joint venture. Instances of joint ventures are Mkwasine Estates (sugar) owned equally by Anglo-American Corporation and Hueletts Corporation, both of South African nationality; and Lyons Broke Bond (Pvt Ltd.), owned one third by Brooke Bond Leibig Ltd. and two thirds by J. Lyons and Co. Ltd., both of British nationality.

114/ The figure is estimated by dividing the sum of percentage holding in each affiliate by the number of affiliates, 41 in this case. Percentage holding in affiliates described less precisely as "associate" or "subsidiary" is made operational by involving normal distribution of ownership. Hence, mid-point values of 25 per cent to associated companies and 75 per cent to subsidiaries were assigned for approximation.

115/ The two exceptions in this list are Hueletts Corporation with half joint venture in Mkwasine Estates with Anglo-American Corporation, and Brooke Bond Liebig Ltd. with one-third joint venture in Lyons Brooke Bond Pvt. Ltd. with J. Lyons and Co.

195. Some transnational corporations in or outside of the food sector hold diversified investment portfolios containing the securities of other TNC affilitates engaged in food and beverage processing. For seven food and beverage affiliates whose shares are traded on the stock exchange, the average holding of these additional transnational elements is more than twenty per cent. The list of TNC affiliates vigorously engaged in food and beverage processing whose securities enter the investment portfolio of other fellow TNCs includes African Distillers Ltd. (4, Grand Metropolitan Ltd.); Heinrich's Chibuku Breweries (3, South African Breweries); Delta Corporation 4 South African Breweries) Hippo Valley Estates Ltd. (4 Anglo-American Corporation); National Foods Ltd. (4, Anglo-American Corporation); Rhodesia Sugar Refineries Ltd. (4, Tate & Lyle Ltd.); for Schweppes (Central Africa) Ltd. additional involvement of 6 TNCs, including non-equity participation by Coca Cola Corporation and Pepsi Co. Inc.[116/] The activities of these companies are chiefly beverages, sugar and cereal-based products.

116/ The items in parenthesis show the number of additional TNC investors other than the parent company, also noted parenthetically.

The other TNC investors in Africa Distillers Ltd. are South African Breweries through the interest of Delta Corporation in Rhokelder Holding Pvt. Ltd. (31.5%), Electra investment Trust Ltd. of United Kingdom through Electra Investment (Rhodesia) Ltd. (13.9%), Anglo-American Corporation through RAL Naminees (Pvt.) Ltd. (.3%), Anglo American Corporation through Security Naminees (Pvt) Ltd. (1.9%), Barclay International through Barclays Oversea Development Co. Ltd. (1.0%).

Additional non-domestic ownership interests in Heinrich's Chibuku Breweries include Electra Investment (.4%), Standards Bank through Standard Bank Naminees (Pvt) Ltd. (.4%), RAL Naminees (1.9).

Minority foreign ownership interest in Delta Corp. consist of Electra Investment (7.0%), Standard Bank Naminees (.4%), RAL Naminees (1.0%), and Barclays Naminees (0.7%).

Other shareholders of foreign origin investing in Hippo Valeey Estates include Tate and Lyle Investments Ltd. (8.3%), Standard Bank by way of Standard Bank Nominees and IPCORN (1.8%), RAL Naminees (.5%), and Electra Investments 2.4%).

Additional foreign interests in National Food Ltd. are Tiger Oats and National Milling of South Africa (16.8%), Spillers Ltd. of UK through Farina Securities (8.3%) Electra Investments (0.9%), Standard Bank Naminees (0.6%).

Rhodesian Sugar Refineries Ltd. is also partially owned by other foreign affiliates: Electra Investment (3.8%), Barclays Naminees (4.5%), Standard Bank Naminees (.5%), and RAL Naminees (0.8%).

Electra Investment (3.8%) Barclays Naminees (4.5%), Standard Bank Naminees (.5%) and RAL Naminees (0.8%) are the other minority foreign owners of Schweppes (Central Africa) Ltd.

Refer to Clarke, Foreign Companies and International Investment in Zimbabwe, pp. 1-- 73, and Stoneman in UNCTAD, Zimbabwe Towards a New Order, Vol. I, pp. 413-541.

(b) Transnational investment company holdings

196. The nature of relationships between affiliates of transnational corporations from the financial sector of the economy and those of TNCs from the food sector transcend the ordinary credit relatioship between a bank and other firms. As disclosed in Table ' below, the leading transnational banks, by means of nominating companies, invest significantly in the stocks of transnational companies from the food sector. Transnational financial institutions whose investment portfolio comprises securities of foreign-affiliated companies engaged in foods and beverages include Barclays International (UK), Standard Bank (UK), Electra Investment Trust Ltd. (UK), and Rhodesia Acceptance Ltd. (RAL) with South African connexions through the Anglo-American Corporation. Their respective arms of disguised investment are Barclays Nominees, Standard Nominees Electra Investment, and RAL Nominees. In 1979, their average portfolios included two-thirds of the major public companies listed on the Salisbury Stock Exchange and were worth more than three per cent of the aggregate value of all shares exchanged.117/

197. From the food and beverage processing sector Electra's investment portfolio included African Distillers (13.9%), Schweppes (Central Africa) Ltd. (7.3%), Delta Corporation (7.0%), Rhodesia Sugar Refineries (3.8%), Heinrich's Chibuku Breweries (.4%), Hippo Valley (.%) and National Foods (0.9%).

117/ Electra Investments (Rhodesia) Ltd. is jointly owned by Electra Investment Trust Ltd., Cable Trust Ltd., and Globe Trust Ltd.. Rhodesia Acceptances Ltd. is one of four merchant banks in Zimbabwe, more than half of whose shares were controlled by Anglo-American Corporation with Security Naminee as the conduit. Security Naminees has investment in the stocks of more than twenty companies listed on the stock exchange. The investments were valued at nearly ten per cent of the market price of all shares traded on the Salisbury stock market in 1977. UNCTAD, Zimbabwe Towards a New Order, pp. 434, 449, 494, 495.

Table 21. Affiliates of TNCs in Food and Beverage Processing whose stocks are included in the Portfolio of Securities Managed by Transnational Financial Institutions

Parent TNC	Barclays Bank	Electra Investment Trust Ltd.	Rhodesia Acceptances Ltd. a/	Standard Bank	Total
Affiliate	Barclays Nominees	Electra Invest-	RAL Nominees	Standard Nominees	
Parent and affiliates					
Anglo American Corporation					
National Foods Ltd.	...	0.90 b/	0.50	0.60	2.10
Hippo Valley Estates Ltd.	...	2.20	2.50	6.80	11.50
Cadbury Schweppes Ltd.					
Schweppes (Central Afr.) Ltd.	0.60	7.30	...	0.14	8.04
Grand Metropolitan Ltd.					
African Distillers Ltd.	1.00	13.90	2.30	...	17.20
South African Breweries					
Delta Corporation	0.70	7.00	1.00	2.40	11.10
Heinrich's Chibuku Breweries	...	2.40	1.90	2.10	6.40
Tate & Lyle Ltd.					
Rhodesia Sugar Refineries Ltd.	4.50	3.80	0.80	2.50	11.60

Source: Clarke, Foreign Companies in Zimbabwe and C. Stoneman, Foreign Capital in Zimbabwe" in UNCTAD, Zimbabwe Towards a New Order.

a/ Rhodesia Acceptances Ltd. is controlled by Security Nominees, an Anglo American Corporation investment arm.

b/ The figures in the cells are percentages of outstanding shares of TNC food affiliates whose securities compose the portfolio of corresponding transnational investment company.

198. Representation of foreign-affiliated companies from the food and beverage processing sector in the Standard Naminees' basket of securities came from Hippo Valley (6.0%), Rhodesia Sugar Refineries (2.5%), Delta Corporation (2.4%), Heinrich's Chibuku Breweries (.1%), National foods (0.6%), and Schweppes (0.4%).

199. Food and beverage elements composing the portfolio of RAL Naminees consist of Hippo Valley (2.5%), African Distillers (2.3%), Heinrich's Chibuku Breweries (1.9%), Delta Corporation (1.0%), Rhodesia Sugar Refineries (0.8%), and just over half of one per cent (0.6%) of National Foods.

200. The following companies are included in the portfolio of Barclay Naminees: Rhodesia Sugar Refineries (4.5%), African Distillers (1.0%), Delta Corporation (0.7%), and Schweppes (0.6%).

6. Royalties and head office charge

201. Licence manufacturing is a common form of non-equity participation employed by transnational corporations, including those involved in Zimbabwe. Royalties are principally payments for licence manufacturing contracts. The inclusion of an account for head office charge in the chart of accounts of their affiliates is one means for transnational corporations to transfer profits abroad. In the following few paragraphs, the distribution of royalties and head office charges incurred by the food processing industry will be briefly reviewed with reference to different lines of food manufacturing.

202. In the 1970's Zimbabwe-based affiliates of TNCs debited their head office charge account at a rate of $130 000 annually. The figure is negligible and compares to less than one part of two thousand in the value of the gross output of the food and beverage processing industry. Food affiliates, excluding beverages, account for more than eighty per cent of the payments for head office charge.

203. As a group, dairy, oils and fats, sugar and tropical beverages represent about two thirds of all payments made for head office charge by the entire industry. The remaining one third is attributed to alcoholic beverages and confectionery. For confectionery, head office charge as portion of output, approaches one-half of one per cent.

204. The amount paid annually in royalties by the food and beverage processing sector in the 1970's amounted to a little less than Z$1 million. Two thirds of this amount was paid by processors of alcoholic beverages. Dairy, oils and fats, sugar and tropical beverages account for about a quarter of the amount paid for royalties annually by the food and beverage processing industry.

205. During the period covered by this study (1970-78), the amount paid annually for royalties by firms processing meat, fruits and vegetables, grain mill products, animal feeds, bakery products and soft drinks barely amounted to twenty thousand Zimbabwe dollars.

206. Confectionery is the only sector that does not process under licensing, as implied by the absence of royalty as an item of expense.

207. Royalties absorbed less than one-third of one per cent of the gross output generated by the food and beverage processing sector, with compared proportions of one per cent for beverage and 0.10 per cent for food.

7. National origin

208. The distribution of transnational corporations operating in the food and beverage sector of the Zimbabwe economy by country of national origin shows Great Britain (13), South Africa (7), the United States ( ) and Switzerland (1). Switzerland is represented by Nestle Alimentana SA, whose principal line of business is dairy and baby food. American interest is confined to non-equity participation by Pepsi Cola, Inc. and Coca Cola Corporation, both of which have a franchise arrangement with the subsidiary of Cadbury Schweppes Ltd., enabling the latter to bottle Coca Cola and Pepsi Cola brands.

209. Transnational corporations originating in South Africa number about seven. But a one-digit characterization by means of a simple head count does not convey the extent to which these companies have penetrated, both horizontally and vertically, the food and beverage sector of the Zimbabwe economy. With the possible exceptions of fisheries and confectionery, there is not a food or beverage line, among the fifteen sub-sectors of food and beverage processing, where South African TNCs are not directly or indirectly involved.

210. The ubiquity of South African interest in virtually all sectors of foods and beverages extends to meat (Anglo-American Corporation, Hueletts Corporation, Imperial Cold Storage and Supplies Ltd.); dairy (Anglo-American Corporation); fruits and vegetables (Anglo-American Corporation, Anglo Transvaal Industries Ltd.); vegetable and animal oils and fats (Anglo-American Corporation) grain mill products (Anglo-American Corporation); coffee (Anglo-Transvaal Industries Ltd.); tea (Anglo Transvaal Industries Ltd.); animal feeds (Anglo-American Corporation); and South African Breweries, active in all subsectors of beverages directly or indirectly.[118/] In segments such as sugar (Anglo American Corporation Hueletts Corporation); alcoholic beverages (South African Breweries); cereal based products (Anglo-American Corporation); and tropical beverages (Anglo-Transvaal Industries Ltd.) the combined market power of South African firms vary from monopoly for beer and near monopoly for sugar is significant for processed cereals and tropical beverages.

211. Affiliates of South African parentage permeate two or three levels of principal phases of production, processing and distribution in some sub-sectors of foods and beverages. The indicated levels of integrated operation is true of five out

118/ All South African affiliates are engaged in meat production (ranching) and not in meat processing. Tiger Oats and National Milling is a minority shareholder in National Foods Ltd., a subsidiary of Anglo-American Corporation, that makes eight lines of food.

of seven TNCs from South Africa: Anglo-American Corporation, Anglo Transvaal Industries, Hueletts Corporation, South African Breweries and Premier Milling.

212. There are thirteen transnational corporations, or about sixty per cent of the number sampled in this study, of British origin operating directly in nearly all sectors of food processing and some sectors of beverage processing. These companies are also involved in agricultural and marketing activities. In each of the fifteen sub-sectors of food and beverage processing, the number of TNCs from great Britain range from one to four: meat (Brooke Bond Leibig Ltd.), dairy (J. Lyons and Co. Ltd); fruits and vegetable (Brooke Bond Leibig Ltd., Cadbury Schweppes Ltd., J. Lyons and Co. Ltd.); fisheries (Brooke Bond Leibig Ltd., Tate and Lyle Ltd.); vegetable and animal oils and fats(Unilever Ltd.); grain mill products (Lonrho Ltd., Spillers Ltd.); bakery products (Reckitt and Coleman, Associated British Foods); sugar (Lonrho Ltd., Tate and Lyle Ltd.)' confectionery (Cadbury Schweppes Ltd.); coffee (J. Lyons and co. Ltd., McLeod, Russel and Co.); condiments (Albright and Wilson Ltd., Reckitt and Coleman); animal feeds (Brooke Bond Leibig Ltd., Rickett and Coleman, Associated British Foods); spirits and wine (Grand Metropolitan Ltd.); and Cadbury Schweppes Ltd. dominating soft drinks. Lines of food and beverage manufacturing, where affiliates of TNCs with controlling British interest, enjoy dominant market positions include refined sugar (Rhodesian Sugar Refineries Ltd); spirits and wine (African Distilers Ltd); soft drinks and mineral waters (Schweppes Central Africa Ltd.); tropical beverages (Lyons Brooke Bond (Pvt) Ltd.); and for oils and fats, Lever Brothers (Pvt) Ltd.

213. In addition to processing food, affiliates of London-based TNCs also partake in the production and distribution of food commodities. Primary food commodities involving active participation of these companies include meat (Brooke Bond Liebig Ltd., Lonrho Ltd.); tea (Brooke Bond Liebig Ltd., James Finlay and Co. Ltd.); and sugar (Tate and Lyle Ltd.). Those firms with record of involvement in downstream activities of food distribution

consist of Brooke Bond Liebig. Ltd., Cadbury Schweppes Ltd., Grand Metropolitan Ltd., McLeod, Russel and Co., Tate and Lyle Ltd, and Associated British Foods. Brooke Bond Liebig and Tate and Lyle are unique among their British companies in the food sector by the fact that they have the most vertically-integrated operations, covering production, processing and distribution of their respective food lines.

CHAPTER V

FOREIGN ELEMENTS IN THE FOOD INDUSTRY OF SUDAN

A. Economic structure

1. Agriculture

214. During the 1970's, agriculture in the Sudan contributed from more than one third to gross domestic product, and registered a compound annual growth rate of 15 per cent. The portion of domestic product generated by agriculture is nearly three times that of industry. The share of gross domestic product ascribed to agriculture in itself makes the point about the significance of the sector in the national economy, but figures such as those of Table 23 present a partial picture. Considering the built-in bias of national income calculus against predominantly self-provisioning, underdeveloped and agricultural economies, a broader perspective of the role of agriculture, both actual and potential, can be inferred more meaningfully from reference to other economic magnitudes.

215. Agriculture engages about 80 per cent of the population and provides about 70 per cent of total employment. Agricultural commodities account for nearly 95 per cent of the country's exports.[119/] Industrial activities of which manufacturing is the major component, are almost entirely agro-based and are expected to remain so in the light of added emphasis on the agricultural sector in national economic development plans.

216. With an area of 2.51 million hectares, the Sudan is the bigest nation in Africa. About one third of the country, or an area estimated at 80 million hectares, is suitable for agriculture: this exceeds the combined areas of Canada and Australia, two super-poers in the sphere of agriculture. Land amenable to agricultural development is distributed between crops (60 per cent) and livestock (40 per cent). But the cultivated area barely approaches 10 per cent of the nation's farmland.

119/ Democratic Republic of Sudan, Ministry of National Planning, Department of Statistics, Foreign Trade Analysis, 1970-1979.

217. The Sudan produces a wide variety of crops and livestock, but the size of output is inadequate to make the country self-sufficient in food. Principal crops cultivated include cotton, groundnuts, sesame, gum arabic, sugar cane, fruits and vegetables, wheat, millet and sorghum. In 1978, about sixty per cent of the output value of crops was attributed to food crops, with the remaining forty per cent going to cash crops, including oil seeds. Sudan is a leading world-class producer and exporter of sesame, groundnuts and gum arabic.[120/]

218. Both in terms of the segment of the population engaged in animal husbandry and the size of animal population, Livestock raising in a very important agricultural activity. About 40 per cent of the population is engaged in livestock production including a large nomadic segment. Principal types of livestock population include cattle, sheep, goat, and camel. In 1978, the share of livestock was more than half of the gross product contributed by agriculture, excluding hunting and forestry.

219. The government plays an important and direct role in farming. Just under half of the aggregate agricultural output is estimated to be under state control. Public sector farms are characterized by large-scale operation, capital intensity, irrigation and high specialization in cash crops. On the other hand, the traditional sector supplies about three quarters of the food crops and all of the gum arabic.

220. In the six year 1978-83 National Economic and Social Development Plan, specific objectives of import substitution in manufacturing, export expansion in agriculture, food self-sufficiency and agro-based manufacturing all point to agriculture as an area of particular emphasis.[121/] More than one third of total investment during the plan period is allocated to agricultural development projects.

120/ The Sudan accounts for more than half of the world export of sesame and more than twenty per cent of world export of ground nuts. Sudan's share in world production of gum arabic, sesame, and ground nuts are more than eighty per cent, ten per cent and five per cent, respectively. These figures are contained in a brochure printed by the public relations office of the Sudan Oil Seeds Company Limited, a state corporation with monopoly over the export of oil seeds.

121/ Democratic Republic of the Sudan, Ministry of National Planning, The Six Year Plan of Economic and Social Development, 1977/78 - 198 /83, Vol. 1 pp. 31-47.

Most of the investment are to be financed as a joint venture between the government and Arab Countries.

2. Industry

221. Industry occupies a minor role in the overall economic activity of the Sudan.[122] Industry in this context is composed of mining and quarrying, building and construction and manufacturing. The structure of industry manufacturig is described in Table AIII, A5 . During a period of ten years between 1970-1979, the contribution of industry to gross domestic product was just over 10 per cent. As estimated from Table 23, the share of industry in aggregate domestic product increased at an average annual rate of one per cent over the decade, while that of agriculture declined at twice that rate.

(a) Mining and construction

222. Mining and construction together take up less than half of the gross domestic product coming from industry. A small amount of chrome, mica, and gypsum is presently mined. The share of mining and quarrying in gross domestic product is less than one half of one per cent.

(b) Manufacturing

223. Manufacturing is the dominant sector of industry and accounts for more than half of its gross product. Principal manufacturing activities include textile, foods and beverages, cement, leather and vegetable oil. Handicraft industries claim about one third of the activities of all manufacturing, with the remaining two thirds going to factories. Most manufacturing establishments operate on a small scale. According to a census taken in 1970, about three quarters of more than 500 manufacturing enterprises sampled employed less than 30 workers. Large firms employing more than 500 workers only accounted for 2 per cent.[123]

122/ Business International, The Sudan: Business Challenge on a New Frontier (Geneva, 1977), p. 31.
123/ Ibid. p. 33.

Table 22. Economic Structure of Sudan in Terms of Gross Domestic Product, 1970-1979
(amount in million Sudanese pounds)

	Agriculture		Industry								Total Economy	
			Mining and Quarrying		Manufacturing		Building and Construction		Total			
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
1970	263.70	37.60	1.80	0.30	55.00	7.90	26.30	3.90	91.10	13.1	701.50	100
1971	294.40	39.70	1.80	0.20	67.10	8.90	23.30	3.10	93.50	12.20	751.10	100
1972	334.10	38.90	3.10	0.40	73.70	8.90	26.40	3.20	103.20	12.50	832.40	100
1973	344.50	38.40	3.50	0.30	79.60	8.90	31.20	3.50	114.10	12.70	896.80	100
1974	516.40	41.40	4.10	0.30	107.30	8.60	61.00	4.90	172.30	13.80	1246.20	100
1975	585.30	38.70	4.60	0.30	138.10	9.20	65.00	4.30	207.90	13.80	1510.80	100
1976	523.20	33.90	5.50	0.30	150.60	8.40	88.80	4.80	279.90	13.50	1848.00	100
1977	705.70	33.40	6.20	0.30	177.50	8.40	108.10	5.20	292.80	13.90	2117.50	100
1978	795.10	32.80	6.90	0.30	202.60	8.40	132.90	5.50	342.40	14.20	2426.30	100
1979	894.40	32.10	7.80	0.30	231.10	8.30	163.30	5.90	402.20	14.50	2784.70	100
Annual Av.		36.59		0.30		8.73		4.39		13.42		
Growth rate	15%	(2%)	18%	0	15%	(1%)	24%	6%	18%	1%	17%	

Source: Democratic Republic of Sudan, Ministry of Finance and National Economy, Economic Survey, 1978/1979, pp. 9-10.

224. The government plays a direct and dominant role in all manufacturing activities. The Industrial Production Corporation, which is the state holding company of nationalized firms, controls more than half of all manufacturing. In an effort to encourage both local and foreign private investment, the government is placing greater emphasis on the private sector. In addition to assigning an increasing role to private investments as embodied in national economic plans a few firms have been de-nationalized since 1972.[124/]

B. Role of foods and beverages in external trade

225. During the 1970's the Sudan experienced a persistently escalating deficit in its balance of trade. Exports were outpaced by imports at an average annual rate of nearly 7 per cent to bring about a more than thirty-fold jump in the trade deficit between 1970 and 1979.[125/] Deteriorating conditions in the balance of payments are attributed to the combined effects of increasingly costly manufactured imports, unstable world prices of primary agricultural commodities and weather-induced instability in agricultural production.

226. Nearly all exports from the Sudan are primary agricultural commodities, chief among which are cotton, cotton seed and cake, groundnut in shell and cake, seasame seed and cake, gum arabic, leather, sorghum and live animals. The country is a world class exporter of sesame, groundnuts and gum arabic. The Sudan is credited for more than half of sesame seeds, about one quarter of groundnuts, and mo e than three quarters of gum arabic in world

124/ The poor performance record of most of nationalized companies has been one of the principal factors leading to policy reversal regarding the role of the public sector in the national economy. In a recent speech built around devaluation of the Sudanese pound, the country's President referred to public corporations as a 'burden on the national economy'. Sudan News Agency, Daily Bulletin, No.v 10, 1981, p. 13.

125/ These figures are presented in Table III.3 in the Appendix.

trade of these commodities.[126] Table 4 shows the share of the Sudan in world production and export of oil seeds. The country is a net importer of dairy products, processed and unprocessed cereals, sugar and tropical beverages. Sugar and wheat are the two most significant items of food import.

C. Profile of food and beverage processing

1. Economic significance

227. The economic profile of the Sudan briefly surveyed in terms of economic structure and external trade conveys some implications about the role of food and beverages as a category of manufacturing activity. In terms of food supply, one of the outstanding features of a predominantly agricultural peasant economy is self-provisioning and exchange of unprocessed food commodities. The urban population with a large industrial segment and the export sector constitute the usual target markets of manufactured food and beverage products. As noted earlier, most of the population of the Sudan lives on farming and nearly all exports, including food items, are primary agricultural commodities. On most counts, therefore, food and beverage processing assumes a relatively minor role in the overall economic activity of the country.

228. Yet food and beverage processing constitutes an important component of manufacturing. In 1978 about 40 per cent of gross manufacturing product ar about 30 per cent of all manufacturing wages were credited to the food and beverage processing sector.[127]

126/ Sudan Oil seeds Co. Ltd. Research Information and Public Relations Centre.

127/ About 40 per cent of all manufacturing establishments are engaged in food and beverage processing. Democratic Republic of Sudan, Ministry of Industry, Industrial Research and Consultancy Institute Investment Guide (Khartoum, 1976), p. 98. Figures pertaining to domestic product contributed by foods and beverages, cited here for 1978, include a little element of tobacco. Refer to TableIII.3 in the Appendices.

Table 23. Share of Sudan in world production and export of oil seeds, 1974-1977

Period	Production						Export					
	Groundnuts		Sesame Seeds		Castor Seeds		Groundnuts		Sesame Seeds		Castor Seeds	
	'000 mt.	Per cent of world production	'000 mt.	Per cent of world production	'000 mt.	Per cent of world production	'000 mt.	Per cent of world export	'000 mt.	Per cent of world export	'000 mt.	Per cent of world export
1974	928.00	5.60	233.00	12.20	16.00	1.30	125.00	14.80	108.00	40.00	1.10	1.20
1975	878.00	4.80	212.00	11.30	3.00	2.20	189.00	22.00	56.00	29.00	13.50	14.50
1976	705.00	4.20	231.00	12.30	2.00	0.40	300.00	29.90	98.00	45.00	11.00	12.30
1977	852.00	5.20	284.00	14.90	-	0.30	153.00	19.40	110.00	55.00	1.00	0.90

Source: Sudan Oil Seeds Limited.

1/ Mt. (Metric tons)

According to figures contained in Table 5 home industries account for about one third of the gross product originating in the food and beverage processing sector, with the remaining two-thirds accruing from factories. In the last industrial census taken in 1971, 8. food and beverage processing establishments employing more than 5 people each were identified. The figure represents about 40 per cent of all manufacturing establishments in that range of employment size.

2. Important sectors

229. The pattern of domestic consumption and external trade of food commodities explains the roles of different sectors of the food manufacturing industry from the demand side. Foods and beverage absorb more than two thirds of total consumption expenditure in the Sudan. According to 1978 figures in Table 26, cereal products, fruits and vegetables, sugar, edible oil, meat and dairy claim about 90 per cent of the aggregate food budget. Correspondingly, sugar, fruits and vegetables, cereals and vegetable oils are relatively important sectors of food processing. The manufacture of meat, dairy and animal feeds are at an early development stage and play a marginal role at present. Apart from meat and vegetable oil, the country is a net importer of principal food items notably sugar, wheat and dairy. The Sudan is vigorously pursuing self-sufficiency in sugar and is expected to become a net exporter by the mid-1980's. The government fully controls the sugar and beer sectors with marginal involvement in meat, dairy, fruits and vegetables, fishery and animal feeds.[128/]

128/ State monopoly over sugar production was the case prior to the completion of the Kenana Project in which the Sudan Government controls about one-third ownership. Refer to Table 29 for details of Kenana ownership structure.

Table 2. Structure of Agricultural and Industrial Sectors of Su

	Agricultural				Mining and Quarrying
	Crops[a]	Livestock[a]	Fishing[a]	Total[a]	
Gross Output	46.18	53.08	0.74	34.85	0.31
Intermediate Consumption	52.61	46.83	0.56	21.36	0.19
Goods	54.75	34.82	0.43	11.14	0.18
Services	47.22	52.16	0.62	36.02	0.23
Gross domestic product	44.59	54.63	0.78	41.30	0.50
Indirect taxes less subsidies	63.11	36.28	0.61	5.75	0.05
Gross domestic product	44.41	54.80	0.79	43.79	0.62
Depreciation	73.94	25.19	0.87	28.07	0.32
Net domestic product	42.32	56.90	0.78	45.61	0.64
Wages and salaries	31.74	66.88	1.38	39.33	0.71
Operating surplus	50.24	49.43	0.33	51.18	0.54

Source: Democratic Republic of Sudan, Ministry of National Plann
Supporting Tables, 1977-78, pp. 32-37.

a/ Per cent of total agriculture, excluding forestry and hunting
b/ Agriculture, excluding forestry and hunting as per cent of ag
c/ Per cent of industry.
d/ Per cent of food, beverage, and tobacco.
e/ Per cent of manufacturing.

anese Economy, 1978

Manufacturing						
Food, Beverage and Totacco			Other manufactured goods	Total [c]	Building and Construction [c]	Industry [c]
Factory [d]	Home Industry [d]	Total [e]				
87.82	12.18	41.92	58.08	69.02	30.67	23.14
91.28	8.72	42.94	57.06	72.29	27.52	42.88
92.02	7.98	43.55	56.45	72.06	27.75	62.72
86.31	13.69	39.22	60.78	73.71	26.06	14.42
81.56	18.44	40.20	59.80	64.13	35.37	13.71
99.60	0.40	43.99	56.00	98.98	0.97	42.56
72.11	27.89	38.47	61.53	55.22	44.16	11.59
93.48	6.52	48.68	51.32	98.18	1.50	8.01
68.05	31.95	36.99	63.01	51.94	47.42	12.10
85.92	14.08	29.81	70.19	39.22	60.08	14.98
57.37	42.63	43.21	56.79	72.22	27.25	9.27

ng, Department of Statistics, National Income: Accounts and

regate economy.

Table 25. Structure of Consumption Expenditure on Foods and Beverages by Households in Sudan, 1978

Item of Consumption	Consumption Expenditure	
	SL'000	Percent
Food, Beverages, and tobacco	1 672 000	71.55[a/]
Food	1 563 000	93.48[b/]
Bread and cereals	501 400	32.08[c/]
Meat	222 700	14 25[c/]
Fruits and vegetables	222 200	14.22[c/]
Dairy	191 300	12.24[c/]
Sugar	152 000	9.72[c/]
Oils and fats	101 300	6.48[c/]
Tea and coffee	44 700	2.86[c/]
Fish	17 000	1.09[c/]
Other foods	109 500	7.01[c/]
Beverages	44 600	2.67[b/]
Alcholoic beverages	39 600	
Non-alcoholic beverages	5 000	
Tobacco	64 000	3.85[b/]

Source: Democratic Republic of Sudan, Ministry of National Planning Department of Statistics, National Income: Accounts and Supporting Tables, 1977-78, pp. 42-43.

a/ Per cent of aggregate final consumption expenditure.

b/ Per cent of spending on foods, beverages and tobacco.

c/ Per cent of spending on food.

230. After cereal products and meat, fruits and vegetables are the main item of consumption. In 1978, more than 14 per cent of food spending was taken up by fruits and vegetables.[129/] Processed fruits and vegetables make up a small portion of aggregate supply and fall far short of total domestic demand. Given its austerity programme to economize on foreign exchange, the country is not in a position to meet fully the gap between demand and supply of processed fruits and vegetables from external sources. Apart from a small quantity of mango juice that it exports, the Sudan is a net importer of fruits and vegetables.

231. Principal types of processed fruits and vegetables consumed by the population include tomato, fruits, jams and marmalades, vegetables and fruit juices. None of these items are fully supplied from domestic sources.[130/] Presently, there are only about seven plants in the country for processing fruits and vegetables: Karima Fruit and Vegetable Canning Factory, Karima Date Factory, Wau Fruit and Vegetable Canning Factory, Babanousa Milk Products Factory, Kassala Onion Dehydration Factory, Kassala Fruit Processing Co. Ltd. and Saeed Food Industries Ltd. Apart from the last company, the first six plants are subsidiaries of the state-owned Food Industries Corporation. Among other things, the Food Industries Corporation engages in the canning of dates and the dehydration of onion, Kerkedeh and gum arabic. All the plants have integrated can-making units.

129/ Department of Statistics, National Income Accounts, 1979. p. 4[illegible].
130/ The only notable exception is tomato paste. Although the entire supply of this item is domestically manufactured, more than half of the fresh tomato is imported. Ministry of Industry, Investment Guide, p. 104.

233. The output of the Food Industries Corporation registered a sharp decline during the second half of 1970's and is still reported as operating far below half of full capacity. Production bottlenecks are primarily blamed on shortages of raw materials and utilities and on the seasonal nature of the industry.[131/]

234. Two fruit and vegetable production and four fruit juice processing projects are included in the current Six Year Plan.[132/] The portfolio of investments planned by the Arab Authority for Agricultural and Industrial investment and Development itemizes two fruit and vegetable projects to be executed between 1980 and 1983.

235. The production, processing and export of oil seeds figure prominently in the economy of the Sudan.[133/] Vegetable oil processing accounts for a significant share of food manufacturing.

236. Seventy oil mills indentified in the last industrial census of 1971 were distributed between cotton seed (45) and sesame and groundnut (5).[134/] Production of semi-processed oil constitutes the principal activity of the sector, and oil refining assumes a minor role in its internal structure.

237. As of the end of 1974, the formation of about 80 more mills for crushing sesame and groundnuts had been licensed. It was estimated at the time that completion of the additional mills would raise the crushing capacity of sesame and groundnuts to about 1.5 million tons annually. In the national economic plan covering 1978-83, about 10 different locations are identified as possible sites of a multi-plant oil processing projects,

131/ Substantial idle capacity is a general feature of most manufacturing concerns operating in the Sudan today. Machine down-time is ascribed to generalized shortage of raw materials, utilities, and spare parts. It was against this background that the last half of the Six Year Development Plan was revised to give major attention to the rehabilitation of existing projects and provision of supportive infrastructure.

132/ Ministry of National Planning, The Six Year Economic and Social Development Plan, Vol. II, pp. 8, 37, 67.

133/ On world scale, the Sudan ranks as the third largest producer of seasame and fifth in groundnuts.

134/ Ministry of Industry, Investment Guide, pp. 98-10 .

estimated at a cost of S 36 million. The government is counting on the Arab Fund for Arab Social and Economic Development to provide three quarters of the required financing.

238. In the Six Year Plan, edible-oil processing is left to joint ventures between private local and foreign investors. To date, there is no known government or TNC involvement in the sector. The manufacture of edible oil is exclusively in the hands of local entrepreneurs.

239. A small amount of oil cakes is exported. The country does not import vegetable oil, but consumption is not fully met by domestic production. The short-fall is partially met by vegetable oil received as food aid.

240. The Arab Authority for Agricultural and Industrial Development is sponsoring a large edible oil project at an estimated cost exceeding $90 million. The feasibility studies were completed by HVA of the Netherlands, and the project is awaiting implementation in the second stage of the Authority's first work programme.

241. Cereals and cereal products claim about one third of the family food budget in the Sudan. Sorghum, wheat and millet are the three principal grains composing the diet of an average household.[135/] Although export surplus of sorghum is produced, the country is a net importer of grains in general, and wheat in particular. The figures in Table 37 show that in the 1970's domestic sources of wheat contributed barely one-half of consumption requirements. After sugar, wheat is the second biggest item of food import. Wheat flour accounts for a small

135/ In addition to the three principal food crops, a small quantity of maize and rice is produced and consumed in the country.

Table 26. Production, import, and consumption of wheat in Sudan, 1970-1979

Year	Production		Import		Consumption[a/]
	'000 tons	Percent	'000 tons	Percent	'000 tons
1970	115	34	219	66	334
1971	135	40	183	60	318
1972	156	43	211	57	367
1973	149	44	190	56	339
1974	235	68	110	32	345
1975	246	65	134	35	380
1976	264	69	121	31	385
1977	301	70	131	30	432
1978	317	66	165	34	482
1979	266	56	209	44	475

Source: Democratic Republic of Sudan, Ministry of National Planning, Department of Statistics, Foreign Trade Analysis, 1970-1979, p. 11; Ministry of Finance and National Economy, Economic Survey, 1978/1979, p. 14; and Bank of Sudan, Eighteenth Annual Report (1977), p. 14.

a/ Consumption is approximated by a summation of domestic production and import, and does not include wheat received in food aid.

portion of this. Uncertainty about the supply of wheat flour caused the recent abandonment of an automatic bakery project, contemplated as a joint venture between the Sudan Development Corporation and other private investors.136/

242. The role of cereals as principal items of consumption and import says a lot about the signficance of grain processing in the food manufacturing sector of the economy. In 197 , there were a total of 8 flour mills in the country, with a combined annual capacity of more than 466 000 tons. According to demand estimates for cereal flour made by the Food Research Centre, existing milling capacity can take the country beyond 1985.137/

243. Projects involving the processing of cereals are among industrial investments-projected by the government and the Arab Authority for agricultural and Industrial Development during the planning horizon extending to 1983. A starch and glucose factors and all the rice mills are sponsored by the government as joint ventures. The glucose and starch factory and a rice production farm are promoted by the Arab Authority for Agricultural and Industrial Development and are programmed for implementation in the first and third stages of the first ivestment phase.138/

244. The Sudan Development Corporation is investigating the construction of several flour mills in the urban areas of different regions as a joint venture. The factories will be designed to blend wheat and sorghum. The idea of blending three parts of wheat with one part of sorghum is contained in a research report in which FAO and the Food Research centre collaborated. The latter,

136/ Sudan Development Corporation, Annual Rerort, 1980.
137/ Demand for flour mill products are estimated to be 35 000 tons in 1980 and 432 000 tons in 1985. Ministry of Industry. Investment Guide, p. 107.
138/ According to a report in Africa Economic Digest (Oct. 9, 1981), the EEC and Japan are involved in the development of rice projects. Current output of rice fluctuates around annual average of 10 000 tons.

described later in this chapter, is affiliated to the Sudanese Ministry of Industry. The team has determined favourable market acceptance of the product.

245. At present, there is no known government of foreign involvement in grain processing activity. Wheat and rice milling are sectors of the industry reserved for private and local investors in the national economic plan covering 1978-83.

246. Prior to the beginning of 1980 before the Kenana Sugar Company came on stream, the Sugar and Beverage Corporation was the only and wholly state-owned company engaged in the production and processing of sugar in the Sudan. The latter controls three operating plants and a few other projects at different stages of development. There are two sugar projects at the pre-investment phase. The feasibility study of locating two factories, one at Selait and the other at Renk Gelhak, is in progress.

247. Three sugar projects are in the investment phase of development. The Haggar-Assalaya Sugar Factory and the Melut Sugar Factory, with combined capacities of 0 000 tons per year, and under construction. Con tracts for the construction of the two sugar projects were awarded to Akmas of Belgium and Fleccher and Stewart of Great Britain. Technical and financial co-operation has been sought from Czechoslovakia in the implementation of the Mongolla Sugar Project.

248. The Gueneid New Halfa and Senar Sugar Factories are the three currently-operating plants belonging to the Sugar and Beverage Corporation. The combined output of the three factories averaged about 113 000 tons annually and increased at a yearly rate of 5 per cent from 86 000 - 113 000 tons between 1970 and 1979. Annual output surpassed 130 000 tons after 1977 when the Sennar Sugar Factory was completed.[139/] From the evidence presented

139/ The Sennar Sugar Factory was partly financed by credits obtained from the Kuwaiti-based Arab Fund for Arab Economic Development and Lloyds Bank of Great Britain. The factory was constructed by Fletcher and Stewart, the same British firm building the Haggar Assalaya Sugar Factory.

in Table 28, domestically-produced sugar averaged only about 40 per cent of the requirement for domestic consumption in 1970-1980 and registered a donward trend during the second half of the period.[140/] The shortfall of 60 per cent needed to meet growing consumption was purchased from external sources. In 1980, sugar imports topped 300 000 tons in volume and US$235 million in cost. Among imported food items, sugar is the biggest single drain on the country's increasingly scarce foreign currency.

249. Before the creation of the Kenana Sugar Company the sugar industry of Sudan was characterized by interrelated problems of under and idle capacity. Even if the three existing plants operated at full capacity - a condition of no idle capacity - domestic supply of sugar would fall short of domestic demand by more than 50 per cent. The disparity between domestic supply and demand of sugar, emanating from processing bottlenecks, is receiving adequate attention as evidenced by sugar processing projects currently in motion including Kenana, Haggar-Assalaya and Melut. The completion of projects both at operation and investment phases of development will raise domestic supply capacity to about 800 000 tons annually, or about one-and-half times the level of demand in 1980.[141/]

250. Yet under a generalized state of idle capacity presently prevalent in the economy, assumed elimination of the condition of idle capacity sounds futuristic. A problem of under-capacity is compounded by idle capacity or under-utilization. In 1979, the three existing factories had a combined output of 113 000 tons which is barely half their full capacity of 230 000 tons. Unless both problems of idle capacity and under-capacity are addressed in order of priority, action aimed at once at the expense of the other is outright self-defeating.

140/ Consumption was approximated from Table 28 by summation of tons of sugar domestically produced and imported.

141/ The estimate is a summation of 230 000 tons (Guenid, New Halfa, Sennar), 110 000 tons each (Haggar Assalaya, Melut), and 330 000 tons for Kenana.

Table 27. Production, import and consumption of Sugar in Sudan, 1970-1980

Year	Production		Import		Consumption	
	Tons	Percent	Tons	Percent	Tons	Percent
1970	85 200	41	125 800	59	212 000	100
1971	72 500	27	195 000	73	267 500	100
1972	91 200	41	133 700	59	224 900	100
1973	112 500	35	205 700	65	313 000	100
1974	120 600	50	121 000	50	241 600	100
1975	128 700	49	132 300	51	261 000	100
1976	113 900	44	143 700	56	257 600	100
1977	138 700	45	169 500	55	308 200	100
1978	138 200	38	229 200	62	367 400	100
1979	132 000	38	212 500	62	344 500	100
1980	134 700	31	301 200	69	435 900	100

Source: Democratic Republic of Sudan, Ministry of National Planning, Department of Statistics, Foreign Trade Analysis, 1970-1979, p. 11; Ministry of Finance and National Economy, Economic Survey, 1978/1979, p. 14; and Bank of Sudan, Eighteenth Annual Report (1977), p. 14.

251. The sugar industry's most critical internal problem today is at the level of sugar cane production. Under-utilization of existing capacity is primarily blamed on raw material shortage.

252. Nearly all the sugar cane processed by the factories of the Sugar and Beverage Corporation is supplied by factory plantations. The only partial exception to the rule is the Gueneid Sugar Factory, where a small fraction of sugar cane is supplied by outgrowers.

3. Other "spheres" of food processing

253. Animal food products and meat and dairy as a group are the second most important items of staple food consumption. According to figures for 1978, in Table 26, more than one quarter of the household food budget was spent on meat and dairy, but animal food products reaching Sudanese homes by way of factories cover a very small portion of meat and diary consumed in the country.

254. Apart from slaughtering, no meat processing activity exists in Sudan. The only meat-canning plant, located at Kosti, was closed down more than twenty years ago. Canned meat required for military rations is imported. A small quantity of meat is exported to the Middle East in the form of live animals.

255. A couple of projects, principally integrating meat production and feed mills, exist at different stages of development. The projects assume the usual pattern of joint ventures, with, individually, the Governments of Kuwait (integrated feed mill, production and processing of poultry); Saudi Arabia (integrated feed mill and animal fattening); Abu Dhabi (integrated feed mill, meat production and processing); and Egypt (fish production and processing).

256. Until the formation of the two parastatal organizations, the Animal Production Public Corporation and the Livestock and Meat Marketing Corporation, the role of the government in the meat industry was limited to operating the few municipal slaughterhouses.

The Animal Production Public Corporation is the holding company of government investments in the production and processing of all kinds of meat, dairy, fishery and animal feeds. At present, only dairy and fishery projects sponsored by the organization are partially operational.

257. The Livestock and Meat Marketing Corporation (LMMC) was created in 1976 and acts as the regulatory arm of the Ministry of Agriculture, Food and Natural Resources. In addition to this function, LMMC's scope of responsibility embraces the promotion of the sector by developing production, distribution and marketing facilities and institutions.

258. In spite of a sizeable livestock population, the Sudan is a net importer of dairy products, principally milk powder. Domestic sources of supply cover just over half of the milk required by Khartoum and its surroundings.

259. Private dairy farms which are predominantly small-scale operations account for more than 90 per cent of the supply from domestic sources. Kuku Dairy Farm, Rabak Milk and Dairy Complex, and Babanousa Milk Products Factory are government concerns engaged in the production and processing of dairy. Although the last company has been forced on occasion to close down its dairy unit due to problems of milk supply, it processes a small quantity of milk powder, cheese and butter.

260. The dairy sector is the only sphere of food and beverage processing other than sugar with direct investment of transnational corporations. J. Lyons commands a dominant position in the ice cream market. Alfa Laval of Switzerland has equity interest of 1.5 per cent in a joint venture, involving a milk reconstitution project, with the Animal Production Public Corporation (37.5 per cent) and the Sudan Development Corporation (37.5 per cent).[142/] The Arab Authority for Agricultural and Industrial Development, through the Arab Sudanese Dairy Company, is promoting a dairy

142/ Alfa Laval is also reported to be one of the seven bidders competing for the construction of the dairy project sponsored by Tripple AID. Africa Economic Digest, 9 October 1981.

project billed as the largest in the Middle East, The plant has maximum annual capacity for producing 50 000 tons of milk and a dairy products. Commencement of the construction phase is pending the outcome of bids already submitted by seven companies from western Europe.

261. Fish is a very insignificant food item among average Sudanese, hence fishing and fish processing have a very minor role in the economy. Apart from basic preservation tasks of drying and freezing, no fish processing takes place in the country.143/ Lake Nubia, the Nile and the Red Sea provide the country's fresh and marine fish waters. These sources are presently under-utilized and offer supply potentials exceeding domestic requirements. For the first half of 1980's two fishery projects are planned, one of which is a joint venture between the Governments of Sudan and Egypt.

262. In terms of future prospects, the animal feed industry is suitably located between the push effects of input supply from the oil and cereal processing sectors and the pull effect of demand from the livestock industry. Problems of raw material supply facing other sectors of food processing do not include the manufacturing of animal feeds. The by-products of important sectors of food manufacturing such as sugar, vegetable oils, cereals and meat are and will be amply available in the country. From the demand side, the country's livestock resource and its exploitation are receiving commensurate attention.

263. The Sudan has a sizeable livestock population, but the form of animal husbandry is virtually pastoral. It is therefore not surprising that there are presently only three, obsolete processing plants in the whole country with a total annual capacity of 75 000 tons.

143/ The frozen storage facilities at Lake Nubia were completed in 1977, under an economic assistance agreement with China.

264. The implementation of two of the several animal-feed manufacturing projects adopted in the latest national economic plan is presently in progress. One of them is a wholly-owned subsidiary of the Arab Sudanese Company for Livestock Development. The plant began operation in early 198 and has an annual capacity of 150 000 tons. The second animal feed project is sponsored by the Arab Authority for Agricultural and Industrial Development. The feasibility study was conducted by Sweco of Sweden and is awaiting construction in proximity of Kenana Sugar Factory.

4. Government role in the food industry

265. Sectors of the food industry in which the government is directly involved include meat, dairy and animal feeds (Animal Production Public Corporation), fruits and vegetables (Food Industries Corporation) and sugar (Sugar and Beverage Corporation, Kenana Sugar Company). The government also controls the beer industry and invests in joint food processing ventures through the Sudan Development Corporation.

266. The role of the government in the food and beverage processing sector is also reflected in the activities of the Food Research Centre. The centre, which is affiliated to the Ministry of Industry, was set up with the aim of promoting the industry by conducting studies and making policy recommendations to the government. The activities of the Food Research Centre encompass studies in the areas of marketing, food technology, investment and regulation.

267. Apart from what is implied in broad policy statements such as agro-industrial linkage, import substitution and generalized food self-sufficiency, no well-articulated food policy is in evidence for the Sudan.[144/] Some degree of price control is exercised over selected food items, especially subsidized commodities like sugar and wheat. Manufactured or imported items

144/ Ministry of National Planning, The Six Year Plan of Economic and Social Development, Vol. I.

of food are subject to a ceiling of cost-based margin. The price list of fruits and vegetables is monitored on a weekly basis. The enforcement of price control is presently confined to Khartoum and falls under the jurisdiction of the City Commissioner's Office.

D. Foreign elements

1. Joint ventures with Arab countries

268. The Sudan, in hindsight, far too optimistically had counted on a vigorous economic development to be propelled by a trio of factors combining Sudanese agricultural resources, Arab financial capital and western technology. It was in light of such expectation that foreign sources of capital were apportioned to more than half of the financing required for $2.67 billion in gross investments during the latest six year plan.

269. Although the petro-dollar component was not forthcoming at its expected level under existing infrastructural bottlenecks, joint ventures between the Government and Arab countries still predominate investments for food production and processing.[145/] A number of projects undertaken in partnership between the Government of Sudan and, individually, the Governments of Kuwait, Saudi Arabia, Egypt, United Arab Emirates and Abu Dabi are at different stages of development. The Arab Authority for Agricultural Investment and Development is the biggest single non-government investor in the economy and is given more detailed coverage subsequently. The Kenana Sugar project, often cited as a concrete case of a significant investment package combining Arab financial resources, African natural resources and Western know-how, is billed as a major joint venture both national and international scale.

145/ But the record of capital inflow during the first half of the plan period was disappointing. The implementation of planned investments have been stalled by grossly inadequate basic infrastructure like electricity, water and communication. A reassessment of prevailing conditions has led policy-makers to revise down and realign capital expenditures during the second half of the plan period. Ministry of National Planning. The Six Year Economic and Social Development Plan, p. 39, and Bank of Sudan, Information Memorandum, December 1980, p. 10.

(a) Kenana Sugar Company

270. About nine years after identification of the investment opportunity and six years after legal incorporation, the Kenana Sugar Project was officially inaugurated in February 1981.[146] Kenana Sugar Company Limited, named after the tribe inhabiting the area, is the largest firm in the world with integrated milling and refining processes, and the only one of its kind outside developed economies. At full steam, the company will produce 330 000 tons of refined white sugar. The estate occupies an area of 63 000 hectares (150 000 feddans), with a developed portion of 34 000 hectares (81 000 feddans). The size of the plantation already developed can be appreciated better if it is visualized as a square enclosure whose four sides are each 18.3 miles in length.

(i) Project components

271. The three elements of the Kenana Sugar Project are irrigation, plantation and factory. When the project operates at full capacity by mid-1980, the company will employ a total labour force of 11 000 people, distributed as 60 per cent, 9 per cent, and 14 per cent among plantation, irrigation, and factory, respectively.[147]

145/ But the record of capital inflow during the first half of the plan period was disappointing. The implementation of planned investments have been stalled by grossly inadequate basic infrastructure like electricity, water and communication. A reassessment of prevailing conditions has led policy-makers to revise down and realign capital expenditures during the second half of the plan period. Ministry of National Planning, The Six Year Economic and Social Development Plan, p. 39, and Bank of Sudan, Information Memorandum, December 1980, p. 10.

146/ Information on Kenana Sugar Company was mostly obtained from Kenana Sugar Company, Green Gold at Kenana: the Story of an Economic Transformation; and Editorial, Sudanow, April 1981.

147/ The remaining 17 per cent will be filled by administrative and clerical staff.

(a) Irrigation

272. The elements of the irrigation system consist of a series of four pump stations and a network of main, primary, secondary and self-triggering plastic siphons substituting for field canals. The main and primary canals cover a distance of 79 kilometers and 270 kilometeres, respectively. Water can be drawn from the White Nile at a rate of half a million gallons a minute and is lifted a total elevation of 40 meters by the time it gushes out of the fourth pump station.[148/]

273. Other infrastructural developments of the sugar project include an air strip, 30 kilometeres of estate roads.

(b) Plantation

274. When the factory reaches its peak annual capacity of 330 000 tons of refined sugar in 1985, the plantation is expected to supply 3.3 million tons of sugar cane yearly, or 17 000 tons daily during 194 days of crushing season.[149/] At estimated yields per hectare varying between 95 tons and 107 tons, 31 000 - 34 700 hectares (74 000 - 83 000 feddans) of cultivated area are required.[150/] Already, 34 000 hectares (81 000 feddans), an area more than the mean requirement of 33 000 hectares (78 500 feddans) has been developed.

148/ When Kenana is fully developed, the amount of water required to irrigate the estate compares to 1.67 times the volume of water draining out of the Mississippi into the Gulf of Mexico at high flood. For comparative figures, refer to John S. Lang, "Life on the Mississippi just Keeps Rolling Along," U.S. News & World Report, December 21, 1981, p. 70, and Kenana Sugar Company, Green Gold at Kenana, p. 15.

149/ The figures are based an estimated input-output ratio of ten between sugar cane & cane sugar. Kenana Sugar Co., Green Gold at Kenana, p. 13.

150/ The yield variation is inherent in the method of cane cultivation. Over a seeding cycle of four years the annual yield of sugar cane harvested declines with time. A fresh seed of sugar cane develops to a mature plant one year after harvesting. The cane stump is fertilized and irrigated three more times annually before the same cycle is repeated four years after fresh seeding. Cane yield declines with frequency of stump recycling. Ibid. p. 20.

275. The estate is organized as a hierarhy of 5 areas, 20 farms and 80 sections. The whole plantation is divided into five areas of 6 720 hectares (16 000 feddans) each.[151/] Each area is sub-divided into four farms of 1 680 hectares (4 000 feddans). A section is the smallest plantation unit and covers 420 hectares (1 000 feddans). A farm is made up of four sections.

(c). Factory

276. The integrated milling and refining method of operations adopted by the Kenana factory ranks the company as the largest in the world. The plant is designed to convert 17 000 tons of sugar cane daily during the crushing season in two parallel production lines with individual daily processing capacity of 8 500 tons. The plant layout includes two adjacent warehouses with individual storage capacity of 35 000 tons. Its principal products are bagaise refined sugar and molasses.

(d). Contribution to employment

277. At the stage of full operating capacity, the Kenana project is expected to create total employment of 11 000, including manpower for irrigation, plantation, factory and administration. As the most labour intensive unit of the system, the plantation takes up about 60 per cent of the total labour force. The estate and the irrigation system together account for more than two-thirds of aggregate employment.

278. The development of technical and managerial manpower at all levels of responsibility is an integral part of Kenana project. In the interim, technical services and factory management have been contracted out to foreign companies.

151/ An estimated 75 000 people live on the estate. Each of the five areas is a self-contained community, with an average population of 15 000 people.

(e). Linkage effect

279. The by-products of manufactured sugar have potentials of forward linkage effects in other spheres of manufacturing such as ethy/alcohol, paper, building materials, alcoholic beverages, yeast and animal feeds. The recent acquisition of five per cent ownership of Kenana Company by the Arab Authority for Agricultural and Industrial Development is connected with the Authority's plan to locate an animal feed project in the vicinity.

280 . Bagasse is the sole source of electric energy required by the Kenana complex. The power unit of the system produces enough to contribute some surplus to the national grid. Molasses from Kenana is sold to United Molasses, a British Company associated with Tate & Lyle, pending the completion of the animal feed project envisaged by Tripple AID.

(f). Sugar distribution

281. At full capacity the output of Kenana Sugar Company is to be evenly distributed between local and domestic markets. The first 45 per cent (150 000 tons) will be sold to the state-owned Public Corporation for Sugar Trading, for distribution on domestic market, and payable in soft currency. The host country has been given the option of buying half of any incremental sugar output above 90 per cent of full capacity (300 000 tons) at currently prevailing world price and payable in hard currency. In effect, the means of payment for Kenana sugar is distributed as 45 per cent soft currency and 55 per cent hard currency.

282. Half of the sugar manufactured is targeted for the export market of neighbouring Arab countries. The sugar division of Nissho-Iwai, a Japanese transnational company with a small shareholding in Kenana and supplier of some of the factory equipment, has been appointed as a commission agent for external marketing.

(ii) Ownership distribution

283. The Kenana project was launched in 197[illegible] at an initial projected cost of $1[illegible]5 million. The actual bill added up to $613 million, a cost overrun of about 400 per cent. The project was budgeted for a six year period but the time allotment was exceeded by three additional years, a time overrun of 50 per cent.

284. Frequent upward revision of the project cost was accompanied by similarly repeated changes in the composition and distribution of shareholder equity. At the pre-investment stage the project was conceived as a joint venture between the government of Sudan and Lonrho Ltd., with shareholdings of 51 per cent and 49 per cent, respectively. Table [illegible]9 describes in the ownership distribution of Kenana Project over time. Between the formation of Kenana Sugar Company in 1975 and completion of the project in 1981, the share of the Sudan Government declined from 61 per cent to 37 per cent. Including the participation of private local banks, the stocks of the host country presently approximate 41 per cent of the total.

285. Nearly all of the authorized capital of $300 million has been issued. The Government of Sudan (37%) and Saudi Arabia ([illegible]1%) directly and indirectly control more than 90 per cent of Kenana Sugar Company. The involvement of other Arab countries is both marginal and indirect and comes by way of a 5 per cent ownership by the Arab Authority for Agricultural Investment and Development.

286. Private interest, both local and foreign, constitutes about 5 per cent of ownership with about 4 per cent going to private Sudanese banks. Equity participation by transnational corporations barely exceeds one per cent. Foreign companies with small but direct investment in Kenana Sugar are Lonrho Ltd. (0.78%) and Gulf Fisheries and Nissho-Iwai Company Ltd., each of which hold shares of one quarter of one per cent.[15]/

15/ In addition to combined ownership control exceeding half of Kenana shares, the Governments of Saudi Arabia and Kuwait have extended a loan of about US$58 million for infrastructural use. Although the combined shareholding of the two companies is under one per cent, Lonrho and Gulf Fisheries are controlled by Kuwaiti investors.

Table 28. Ownership distribution of Kenana Sugar Company

	1972 (inception)	1975 (incorporation)	1981 (inauguration)
Sudan	51.00	61.00	40.87
Government	51.00	61.00	36.85
Ministry of Finance		51.00	31.74
Sudan Development Corporation		10.00	5.11
Private local banks		--	4.02
Kuwait	--	5.00	34.07
Government	--	--	30.83
Gulf Fisheries	--	5.00	0.25
Saudi Arabia	--	17.00	22.05
Government	--	--	11.04
Arab Investment Company	--	17.00	11.01
Transnational corporations	49.00	17.00	0.98
Lonrho Ltd.	49.00	12.00	0.73
Nissho-Iwai Company Ltd.	--	5.00	0.25
Total	100.00	100.00	100.00

Source : Kenana Sugar Company Limited, Green Gold at Kenana : the Story of an Economic Transformation, 1981.

287. The involvement of transnational corporations in the Kenana Sugar Project assumes almost entirely non-equity form. Contracts for factory management and technical services were awarded to Arkel International, Inc and Alexander and Baldwin Agribusiness, respectively, both of the United States. The original feasibility study was completed by Lonrho Ltd. in 197 . When Kenana was incorporated in 1975 Lonrho subscribed to 1 per cent of the shares and assumed management responsibility. The management contract with Lonrho was terminated in 1977, and its interest in Kenana was subsequently revised downward to less than one per cent.

288. The approach invariably chosen by transnational corporations in their business dealings, with the Sudan in general, and Kenana Sugar Company in particular, is the sale of a technological system, including hardware, software and liveware. The technology sold to Kenana was packaged by a group of transnational companies from Great Britain (Lonrho Ltd., Howard Humphreys & Sons, Merz & McAllen, Sir A. McAlpine & Son, Caper Neil International, Wyns)' Japan (Nissho-Iwai)' Austria (Andritz)' France (Technip) and United States (Arkel International, Inc., Alexander & Baldwin Agri-business). Apart from residential houses, utilities and the primary canal and related structures which were built by local construction firms, all the consultancy, works and equipment required by the project in the construction phase were supplied by foreign companies.

289. In many instances the sale of hardware was promoted through credit arrangements with financial institutions from the home country of equipment suppliers. About US$141 million of external credit for purchases of machinery and equipment was provided by Austrian, French and Japanese sources.

(b) Arab Authority for Agricultural Industrial and development

290. From the Arab side, the Arab-Israeli war of 1973 was fought on both economic and politico-military fronts. On the economic front Arab countries unleashed an oil embargo on all supporters

of the adversary, with most of western industrial countries as the special target. In the aftermath of the war, the issue generated serious debate about alternative sources of energy and energy security in the West and about Arab food security and alternative sources of food in the Middle East.

29 . Embargo of food is as potent a political weapon as oil. As major importers of basic food commodities, Arab countries would be defenseless against a potential food embargo. The danger calls for collective enterprise in facing the challenge by pooling the unique resource endowment of all Arab States. It was against such background that the Khartoum-based Arab Authority for Agricultural Industrial and Development was formed.

(i) The perspective plan

29 . The Arab Authority for Agricultural Investment and Development, acronymed Tripple-AID (AAAID), was formed in 1975 with a capitalization of 150 million Kuwaiti Dinars under the sponsorship of the Kuwaiti-based Arab Fund for Arab Economc and Social Development. Table 30 shows the distribution of subscribed capital among the dozen contracting states. The perspective plan of the Authority covers a quarter century and extends to year 2000. The time frame is segmented into four development programmes of five years each.

Table 22. Arab Authority for Agricultural Investment and Development : distribution of subscribed capital among contracting states

Contracting state	Percent shareholding
Algeria	1.50
Egypt	3.00
Iraq	15.00
Kuwait	19.50
Libya	15.00
Mauritania	0.10
Morocco	0.60
Qatar	7.50
Saudi Arabia	22.50
Somalia	0.05
Sudan	15.00
Syria	0.05
United Arab Emirates	15.00
Unsubscribed	0.20
Total	100.00

Source : Arab Authority for Agricultural Investment and Development, Agreement on Establishment, Statute, and Activities of the Authority.

According to official statements, Tripple-AID plans to invest some $6.00 billion in a portofolio of about one hundred projects over the whole planning horizon.[153/] The focus of the Authority's activity is investment in the production, processing, distribution and marketing of food commodities. The scope of its involvement encompasses other areas linked with the development of agriculture, including infrastructure and farm inputs.

(ii). Projects involving food production and processing

293. Thirteen projects have been identified by Tripple-AID for implementation in the Sudan at three stages during the first programme covering 1978-1983. The implementation of the first stage projects, consisting of poultry, , vegetables and glucose and starch began in 1981 with the formation of four individual companies. The feasibility studies of the four projects were completed by Carl Bro International of Denmark (dairy), Booker Agricultural International of Britain (poultry), Borghi e Baldo of Italy (glucose and starch) and Societe Centrale pour l'Equipment de Territore Co-operation Internationale of France (vegetables). The estimated cost of the four projects is $?75 million with one qurter of related equity to be held by Tripple AID. The remaining stocks are distributed among Governments of Sudan (0%), Kuwait (1 .5%), Saudi Arabia (1 .5%) and Iraq (1 .5%); 17.5% are insubscribed.

294. The poultry project has been incorporated as the Arab Sudanese Poultry Company and is billed at $75 million. The scheme is an integrated feed mill, poultry production and processing operation with annual capacity of 15 million broilers, 10 million chicks and 15 million eggs. When the undertaking is fully operational, poultry meat produced by the company will be distributed between domestic (40%) and external Arab markets (60%).

153/ African Economic Digest, 9 October 1981.

395. The Arab Sudanese Dairy Company, set up with estimated investment of $87.5 million and equity capital of $50.5 million, is considered as the biggest dairy processing establishment in the Middle East. The plant has an annual capacity for processing 45 000 - 50 000 tons of milk and other dairy products. Alfa Laval of Switzerland and Ritz Pompen of West Germany are reported to have submitted bids for the supply of the technological package.154/

396. The vegetable and the glucose and starch projects will require investments of $[illegible]5 million and $37.5 million, respectively. The latter is designed to convert sorghum to glucose and starch at annual rate of 54 000 tons. Contract for the pump installation of the vegetable enterprise, with annual output capacity of 15 000 tons, has been awarded to Ritz Pompen of West Germany.

397. Except the rice project which is at an early exploratory phase, feasibility studies for the four projects of second stage investment have been completed. Studies on the edible oil and animal feed projects were carried out by HVA of the Netherlands and Sweco of Sweden, respectively. The livestock farm and the plants for processing edible oil and animal feed will be organized as private companies of Tripple AID and will be conveniently located in the Kenana area. Molasses from Kenana will eventually be diverted from the export market to the feed mill. The vegetable oil and animal feed projects are estimated to cost $9[illegible].5 million and $36.3 million, respectively. Among four projects allocatd to the third and final stage of the first programme, only a vegetable project has been identified.

154/ According to African Economic Digest of 9 October 1981, the contract for the supply of the dairy and vegetable projects pump systems has been won by Ritz Pompen.

2. Involvement of transnational corporations

298. There is virtually no direct investment in the food sector of the Sudan by transnational corporations from western industrial states. Minor exceptions are J. Lyons & Co. Ltd. (ice cream), Alfa Laval (dairy), Lonrho Ltd. (sugar) and Nissho-Iwai of Japan (sugar). A few cases of non-equity participation by transnational corporations include Alexander & Baldwin Agribusiness (technical service contract with Kenana Company), Arkel International of USA (factory management contract with Kenana Company) and license manufacturing contracts with Pepsi Co., Inc. and Coca Cola Corporation.

299. As the distribution of TNCs in the food sector by type of involvement (Table 31) shows, the role of foreign companies almost exclusively assumes the form of technology supply, including feasibility studies, hardware, construction and consultancy. Sectors of food production and processing, where transnational corporations are known to have provided technology in one form or another, are principally sugar, dairy, meat, animal feeds and fruits and vegetables.

300. The manner in which financial institutions and technology suppliers of the same home country collaborate in promoting such sales by providing credit is worthy of note here. A case in point is the Kenana sugar project where Austrian, French and Japanese sources account for most of the external credit obtained by the company. It is not by sheer coincidence that the principal equipment and machinery suppliers of the Kenana project happen to be companies of the same national origin as the suppliers of credit.

Table 30. The Involvement of Transnational Corporations in the Food Sector of Sudan

Transnational Corporations	Home Country	Project Type			Type of Involvement				
		Sector	Production	Processing	Feasibility	Technology supply[a]	Marketing	Non-equity	Equity
Akmas	Belgium	Sugar	X	X		X			
Alexander & Baldwin Agribusiness	USA	Sugar	X	X		X		X	
Alfa Laval	Switzerland	Dairy	X	X		X		X	X
Andritz	Austria	Sugar	X	X		X		X	
Arkel International	USA	Sugar	X	X		X		X	
Booker Agricultural Int'l	UK	Poultry feed mill	X	X	X				
Borghi e Baldo	Italy	Cereals		X	X				
Caper Neil International	UK	Sugar	X	X		X			
Carl Bro International	Denmark	Dairy	X	X	X				
Coca Cola Corporation	USA	Beverage		X				X[a]	
Dalgety	UK	Meat & Feed mill	X	X	X				
Dursor	Holland	Feed mill		X		X			
Fletcher & Stewart	UK	Sugar	X	X		X			
Guinness Peat International	UL	Meat & Feed mill	X	X		X			
Gulf Fisheries	Kuwait	Sugar	X	X					X
Howard Humphreys & Sons	UK	Sugar	X	X		X			
HVA	Holland	Edible oil		X	X				
J. Lyons & Co. Ltd.	UK	Dairy		X					X
Lonrho Ltd.	UK	Sugar	X	X	X	X		X[c]	X
Lohman Export Gmbh	GFR	Poultry	X	X		X			X
Merz & McLellan	UK	Sugar	X	X		X			
Nissho Iwai	Japan	Sugar	X	X		X	X		X
Pepsi Cola, Inc.	USA	Beverage		X				X	
Ritz Pompen	GFR	Dairy & Fruits & Veg.	X	X		X			

a/ Including hardware, construction, and consultancy.
b/ Molasses purchase contract with Kenana Sugar Company through United Molasses.
c/ Lonrho's management of the Kenana project was ferminated in 1977.

Table 30. The Involvement of Transnational Corporations in the Food Sector of Sudan (cont'd)

Transnational Corporations	Home Country	Project Type				Type of Involvement			
		Sector	Production	Processing	Feasibility study	Technology supply[a]	Marketing	Non-equity	Equity
Sir A. McAlpine & Sons	UK	Sugar				X			
Societe Centrale pour l'Equipment de Territoire co-operation internationale	France	Fruits & vegetables		X		X			
Sweco	Sweden	feed mill		X	X				
Tate & Lyle Ltd.	UK	Sugar	X	X		X	X[b]		
Technip	France	Sugar	X	X		X			
Wyns	UK	Sugar	X	X		X			

CHAPTER VI

SUMMARY AND CONCLUSION

301. At the level of case studies, the prescribed approach for the investigation of TNC activities in food and beverage processing industries of host developing countries is the inductive method in which the progress of knowledge is from the particular to the general. These case studies are indeed designed to enable ultimately the construction of general propositions but an attempt at bold abstraction about the pattern of behaviour of transnational companies in food and beverage processing would be premature at this stage and must await a comparative analysis of case studies covering a larger sample of countries. This and fear of redundancy are some of the compelling reasons for presenting country - by country summaries of findings.

302. An issue of common concern does, however, deserve mention: it is the use of double standards in the disclosure of essential information. A familiar case in point is the marketing of cigarettes with and without warning of health hazard in home and host countries, respectively. Similarly, in their home countries transnational parents are pressured by different vested groups to disclose information about their activities. In host countries this issue is circumvented by forms of organization that are appropriate for minimal disclosure of information and public scrutiny. The general paucity of information is further compounded by the inaction of host countries to compile and publish existing facts about the activities of foreign companies. Issues surrounding information systems on TNCs -- encompassing the whole spectrum of generation, organization and distribution -- have not received the serious treatment they deserve at host country level and demand immediate attention. Information is a necessary condition in the meaningful control of activities, including those of transnational corporations.

Kenya

303. A large number of transnational corporations are actively engaged in food and beverage processing in Kenya, especially in the sphere of export-oriented food products. Nearly two thirds of the thirty-old transnational corporations identified here appear on the roster of three hundred leading transnational companies from the food and beverage processing industry. They include Arthur Guinness (beer), BAT Industries (meat), Beecham Group (soft drinks), Booker McConnel (sugar), Brooke Bond Liebig (tea), Cadbury Schweppes (soft drinks), Coca-Cola Corporation (soft drinks), CPC International (oils and fats), DelMonte Corporation (fruits and vegetables), Glaxo Holdings (baby food), Grand Metropolitan (hard liquor), James Finlay (tea), J. Lyons (dairy), Nestle Alimentana (baby food), Pepsico, Inc. (soft drinks), Unilever (oils and fats), and Wrigley (confectionery).

304. With the exceptions of fishery and winery, foreign companies are represented in all fifteen sub-sectors of food and beverage manufacturing. Fruits and vegetables and tropical beverages host a relatively large number of transnational corporations and are dominated by them. Soft drinks and spirits are other lines of food processing where foreign-affiliated companies hold dominant market positions.

305. The role of transnational companies varies from minimal for staple-oriented items (meat, dairy, cereal products, sugar) to dominant for export oriented products (fruits and vegetables and tropical beverages).

306. By and large, subsidiaries of foreign companies in Kenya are more disposed to specialization than diversification. Nearly three quarters of the parent transnationals sampled here are confined to one product line at the level of four digits of ISIC. On the other hand, notables like Unilever, Nestle, Brooke Bond Leibig and CPC international process an average of three or more food lines. Among foreign-affiliated companies processing two or more food products, fruits and vegetables are the most popular diversification outlet.

307. A great majority of foreign-affiliated firms from the food and beverage processing industry of Kenya are constituted as registered foreign comapnies or private companies -- forms of organization most conducive to exclusive ownership control and minimal disclosure of information. Among thirty-five foreign-affiliated companies sampled for Kenya, about thirty are majority owned by parent transnational corporations and twenty are wholly owned. Cases of non-equity participation are more in evidence than those of minority equity participation.

308. Local equity participation in food processing foreign subsidiaries barely exceeds ten per cent. These shares are mostly held by the host government through the Industrial and Commercial Development Corporation and the Agricultural Development Corporation. The securities of foreign subsidiaries active in food processing make up about one half of ICDC's aggregate investment in the food industry. Major transnational corporations composing the government investment portfolio include Unilever, Nestle, DelMonte, Brooke Bond Leibig, and Bruckner Werk.

309. As a gesture to promote local equity participation in direct foreign investments, the government recently formed the Capital Issues ommittee and the New Projects Committee. It was subsequent to the creation of these regulatory bodies that Brooke Bond Leibig was forced into divestiture of all domestic tea marketing interests and into public equity participation in its remaining subsidiaries. This particular instance aside, a legislative measure designed to influence local equity participation in foreign subsidiaries without a comensurate level of domestic savings does not signify much.

310. In the remainder of the summary on Kenya, principal features of the activities of transnational corporations are highlighted within the framework of the International Standard of Industrial Classification (ISIC) at the level of four digits.

311. The meat sector of the food processing industry is outstanding on two grounds. Meat ranks among five groups of food items recongnized by the national food policy as staple consumption and it is one of the top four commodities of food export.

312. Meat processing and wholesale distribution is dominated by the government. The parastatal organization Kenya Meat Commission, owns and operates a meat processing plant, which was taken over from Brooke Bond Leibig toward the beginning of the 1970 s. The only foreign company currently engaged in meat production and processing in Kenya today is BAT Industrities. Kenya Poultry Development Co. Ltd., a joint venture between BAT Industries and the Agricultural Development Corporation, produces and processes poultry for the domestic market and exports day-old chicks.

313. The Kenya Co-operative Creameries(KCC) is the equivalent of the country's industry. The co-operative is owned by 6,000 dairy farmers who make up twenty per cent of the total number of farmers supplying milk and cream. Ten out of eleven seats on the board of governors are filled by farmers. Kcc runs vertically-integrated operations of dairy production, processing and distribution. Each of the nine plants under KCC specializes in a particular line of dairy processing. Domestic sources of milk are proving inadequate to run these plants at full capacity.

314. In the sphere of dairy processing the activities of transnational corporations are largely limited to baby food and ice cream. Foreign companies involved in dairy processing include Nestle Alimentana (Food Specialities Kenya Ltd.), Glaxo Holdings (Glaxo East Africa Ltd.), Cow & Gate (Cow & Gate (East Africa) Ltd. and J. Lyons (Lyons Maid). with the exception of Food Specialities, about ten per cent of whose shares are owned by the Government of Kenya, the subsidiaries are fully-owned by their parent comapnies. Baby foods are targeted for both domestic and export markets and the dominant oligopolist in each market is Nestle. J. Lyons has a dominant position in the ice cream line and entered that market by acquiring a going concern from private local owners.

315. In terms of dominance of foreign-affiliated companies, the fruit and vegetable sector has no peer in the food processing industry. The number of transnational corporations active here approaches ten and includes Brooke Bond Leibig (Kabazi Canners), CPC International (CPC Kenya Ltd.), J. Lyons (Lyons J. & Co. (Kenya) Ltd.), Mitchell Cotts Group (Associated Packers), Marshall Ltd. (Kenya Orchards), Nestle Alimentana (Food Specialities), Unilever (East African Industries), Bruckner Werk (Pan African Vegetable Products) and DelMonte (Kenya Canners).

316. DelMonte Corporation and Bruckner Werk are the most outstanding transnational corporations in the line of fruit and vegetable processing. Kenya Canners of Del Monte exercises complete monopoly over the pineapple industry and is the only TNC of its kind on the continent.

317. Prior to the acquisition of ninety per cent interest in the pine-apple processing and exporting subsidiary in 1968, Del Monte managed Kenya Canners for four years as a non-equity participant on behalf of private local owners. Subsequently, full vertical integration was completed by moving upstream into pineapple growing.

318. Kenya Canners has been charged with the restrictive conduct of transfer pricing by another investigator fully and vertically integrated operations, export orientation of its product, monopoly market position in the host country and extensive manufacturing and marketing subsidiaries located in different fiscal environments were the chief points in this argument.155/

319. Pan African Vegetable Products, a vegetable dehydrating concern, is a joint venture between Bruckner Werk and the host government, with equity distribution of nearly half and half. Recent annual reports of the Industrial and Commercial Development Corporation and the Agricultural Development Corporation whose investment portfolios include Pan African Vegetable Products attribute the poor financial performance of the company to the

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155/ R. Kaplinsky, op.cit.

major source of raw materials or out-growers and recommend the expansion of an existing nucleus factory plantation as a corrective step. Both the diagnosis and prescription have the familiar resonance of developments such as those which led Kenya Canners to upstream integration.

320. A number of transnational corporations processing fruits and vegetables in Kenya share common features. These include market entry by means of acquiring private local firms, export orientation of products and imposition to upstream integration.

321. Since the recent achievement of self-sufficiency in sugar, vegetable oil has replaced the former number 1 item of food import. At least three transnational companies are represented in the line of processing vegetable and animal oils and fats: Elianto Aktien Geselschaft (Elianto Kenya Ltd.), CPC International (CPC Kenya Ltd.), and Unilever (East African Industries). The last transnational corporation occupies a dominant position in the market for oils and fats and enjoys virtual monopoly in the margarine sub-market. The activities of Unilever in Kenya date back to pre-independence, when it signed a management contract and assumed half ownership of East African Industries.

322. The host government, through the Industrial and Commercial Development Corporation and the Agricultural Development Corporation, has substantial shareholding in all three foreign subsidiaries.

323. The National Cereals and Produce Board, a parastatal organ, is responsible for regulating the supply and price of grain and excercises exclusive rights over sales and purchases of grains. Apart from its partial ownership of the Milling Corporation of Kenya, the government has no other known involvement in cereals and grain processing.

324. The presence of transnational corporations in the field of cereal processing is rather skeletal and assumes two features. For Brooke Bond Leibig, CPC International and Marshall, this line of activity does not amount to more than a minor diversion from other major types of food manufacturing. For General Food and Buitoni Perugina association with cereal processing is limited to license manufacturing with two private local firms House of Maji and P. J. Products. Otherwise, processing of cereal based products is the sphere of local private firms.

325. In Kenya the manufacture of animal feeds does not figure prominently in the food industry, no firms associated with transnational corporations are reportedly involved in animal feeds. Two transnational companies from Hoechst and Pfizer produce chemicals and pharmeceuticals identified with animal feeds.

326. The development of the Kenya sugar industry can be characterised as a success. Sugar is one of the principal items of domestic consumption and was until recently a major component of food import the country has just surpassed self-sufficiency in sugar. A recent government sectoral review of the food industry singles out sugar for tropping projected targets for the first two years of the current national development plan.[156/] The contribution of sugar manufacturing to import substitution spills over to the energy industry through forward linkage with the manufacture of ethyl alchol. Gasohol, a composite fuel of fifteen parts ethanol and eighty five parts gasoline, is expected to substitute for imports of fuel required by motor vehicles to the tune of fiteen per cent when the two ethanol plants under construction become fully operational. The larger of the two, Chemical and Food Corporation, is a joint venture between the host country, Advait Internaional and Chemfood Investments.

156/ Republic of Kenya, National Food Policy, p. 50.

327. The role of the government is nowhere more dominant than in the sugar industry. Among seven refineries presently existing in the country, five are wholly owned and two are majority owned by the government. More than ninety per cent of the investment portfolio of the Agricultural Development Corporation is made up of investment in sugar. At the wholesale level, the state exercises exclusive monopoly over sugar distribution through the National Trading Corporation. Outgrowers account for about three-quarters of the cane supply.

328. Activities of transnational companies in the sugar sector are peripheral. Apart from a small shareholding of Booker McConnell in Mumias Sugar Company, the participation of Mehta Group, Technisucre, and Booker Agricultural International is limited to non-equity form.

329. Kenya is the largest producer and exporter of tea in Africa and the third largest exporter in the world after Sri Lanka and India. Tea accounts for about one quarter of the country's domestic export of food commodities.

330. The protagonists of the tea industry of Kenya are small-holders or the Kenya Tea Development Authority on the one hand, and estates or transnational corporations on the other. Both groups process and market tea. The Kenya Tea Development Authority (KTDA) is a parastatal body representing the interest of smallholders. With 130,000 registered farmers, smallholdings are credited for about two thirds of the land under tea cultivation and one third of processed tea. About ten per cent of these farmers have shareholdings in twenty-four factories controlled by KTDA. Kenya Tea Packers, a marketing subsidiary of KTDA, exercises complete monopoly over the domestic distribution of tea.

331. The estate sector of the tea industry refers to foreign-affiliated companies, principally comprising of subsidiaries of Brooke Bond Leibig, James Finlay and George Williamson. Transnational corporations as a group account for one third

of the land under tea cultivation and two thirds of tea processing. About sixty per cent of tea export is imputed to downstream subsidiaries of estate companies.

332. With vertically integrated operations of growing, processing and exporting tea, the Kenya subsidiary of Brooke Bond Leibig is rated as the third largest foreign-affiliated company and the largest in the tea industry in terms of asset value. Brooke Bond Leibig enjoyed exclusive monopoly over the domestic distribution of tea for nearly half a century. Until it surrendered its marketing power to the Kenya Tea Development Authority in 1978.

333. Gradual disengagement from primary production has been observed in the UNCTC study mentioned earlier as a prominent feature of transnational corporations engaged in food and beverage processing. The development of the tea industry in post-independence Kenya lends credence to such pattern of behaviour among foreign-affiliated companies the trend is reflected in differential rates of decline in the proportion of TNC tea growing and tea processing. Over a period of nearly two decades between 1963 and 1980, the proportion of tea acreage in the estate sector declined by fifty percentage points from about eighty-three to thirty-three and the share of tea processing decreased by thirty per cent from ninety-seven per cent to sixty-seven per cent over the same period. Transnational companies still dominate the processing and exporting end of the tea industry, whereas smallholdings have upper hand on primary production and domestic distribution.

334. The relationship between the two sectors of the tea industry varies from competition to substantive co-operation. Management contracts between KTDA factories and foreign affiliates, partial supply of green leaf from KTDA to estate factories and sponsorship of a tea research establishment for the whole industry by Brooke Bond Leibig exemplify spheres of active co-operation between estate companies and smallholdings.

335. Another striking feature of the Kenya tea industry is the qualitative growth of the small-holding seament: over the last two decades, the area of land under tea cultivation and the number of tea farmers posted about the same growth rates. A representative small-holding measures between less than half an hectare and a maximum of one hectare. The effect of such land holding an income distribution within the seament is osensibly positive.

336. Coffee is the major source of foreign exchange for Kenya: it counts for about sixty per cent of export earnings from food commodities. Producer co-operatives account for about seventy per cent of the land under coffee plantation and sixty per cent of coffee output. The disproportion between area and output is explained by yield differentials between the co-operative and estate sectors of the coffee industry.

337. Spirits and soft drinks are the two sub-sectors of beverage processing dominated by transnational corporations. Hard liquor is the virtual monopoly of Gilbeys East Africa Ltd., a subsidiary of Grand Metropolitan. Grand Metropolitan owns more than half of its subsidiary and the host government about twenty per cent. The market for soft drinks is for the most part divided among Coca Cola Corporations, Pepsi Co., Inc. and Cadbury Schweppes, whose subsidiaries are all fully owned. Cadburry Schweppes also bottles Canada Dry and Seven - Up, brand names belonging to other transnational corporations.

B. Zimbabwe

338. The food industry is one of the most important sectors of Zimbabwe's economy. The national food system encompassing farm inputs, primary production, processing and distribution of food commodities employs about half of the active labour force. Food processing makes up about one quarter of the value of total manufacturing and one and a half of those of mining and quarrying or construction. About one quarter of total domestic export and two thirds of the visible trade balance are attributed to external trade in food commodities. Meat, sugar, coffee and maize account for more than ninety per cent of the foreign exchange earnings from food sales.

339. The government is actively involved in the marketing of important food commodities such as meat, dairy, oil seeds, grains and coffee. The Cold Storage Commission (meat), Dairy Marketing Board (dairy) and Grain Marketing Board (grains, oil seeds, coffee) are statutory organizations with broad marketing and regulatory powers over animal food products and food crops.

340. Large-scale farms supply more than three quarters of the primary food commodities produced in Zimbabwe. The growth of this sector has been a direct result of a national policy designed to achieve food self - sufficiency and export diversification and vigorously pursued by the Smith regime subsequent to the mid 1960's Communal Farming Areas with output share of less than one quarter are largely "consumers", 157/ in the sense that nearly three quarter of farm output are produced for consumption.

341. Transnational corporations make up a sizeable segment of firms investing directly in the food industry of Zimbabwe. About two thirds of the twenty relatively major transnational

157/ Eric Taffler, on his book The Third Wave creates the expression to describe production for consumption.

parents identified in this investigation appear on the list of the three hundred largest global companies processing foods and beverages: Brooke Bond Leibig, Cadbury Schweppes" Grand Metropolitan, James Finlay, Lonrho, Nestle Alimentana, Reckitt and Coleman, Spillers, South African Breweries, Tate & Lyle, Unilever and Associated British Foods. These parent companies control about forty food affiliates. There is no sub-sector of food manufacturing where a foreign company is not represented: on the average more than three transnational parents are hosted by each sub-sector of food and beverage processing at the ISIC level of four digits. Lines of food processing associated with a relatively large number of foreign companies include tropical beverages, fruits and vegetables and animal feeds. Sugar and beverages are notable spheres of foeign comapny dominance.

342. Foreign-affiliated companies are significantly disposed to diversification both within and outside food processing and primary production. Transnational companies covered here,process on the average, two to three food lines, numbering as many as eight for Anglo-American Corporation and four each for Brooke Bond and Unilever. About one third of these companies are also engaged in non-food activities, and about half of those in the sample are directly or indirectly engaged in primary food production, spanning cattle ranching, citrus, grapes, ground nuts, maize, wheat, sugar and tea.

343. More than two-hundred brands of foods and beverages -- distributed as about one hundred twenty food and one hundred beverage -- are manufactured by affiliates of foreign comapnies operating in Zimbabwe. Alcoholic and tropical beverages appear to be lines of food processing highly given to brand differentiation.

344. The great majority of transnational corporations investing directly in the food industry are headquartered in the United Kingdom and South Africa. With the possible exceptions of fishery and confectionery, there is no sector of food and beverage processing where South African companies are not involved. The most ubiquitous of them is the Anglo-American Corporation, with thirteen brands of food and eight lines of food processing to its credit and about half of the raw sugar: National Foods,

Hippo Valley Estate, Mkwasine Sugar Estate and Mazoe Citrus Estate are food subsidiaries of Anglo - American Corporation. Through Security Nominees, investment subsidiary, Anglo - American owns shares in the food subsidiaries of other transnational companies as well.

345. The activities of Zimbabwe based affiliates of transnational corporation engaged in food and beverage processing are highlighted next, sector by sector, within the ISIC framework at the level of four digits.

346. Meat, beef in particular, is the most outstanding sector of the food industry in Zimbabwe. It accounts for about one quarter of the value of farm output and is the leading item of food export. Beef is a staple item of domestic consumption and receive state subsidy.

347. The processing and distribution of beef is dominated by the government. The Cold Storage Commission, a statutory organization with broad marketing and regulatory powers over beef, controls more than three quarters of the domestic market for beef and is the sole exporter. About ninety per cent of the cattle intake by the Cold Storage Commission originates on large scale farms. In addition to price controls, credit is another policy instrument employed by the parastatal organization to regulate the supply of beef. The Breeder Finance Scheme and the Custom Feed Lot Scheme are two credit facilities presently in motion and were designed to discourage the slaughter of breeding cattle and young stock.

348. Pig, sheep and poultry are secondary sources of meat supplement in Zimbabwe. Meat from small livestock is free from government regulation and dominated by private local firms.

349. As reviewed here, the State of the meat industry shows the insignificance of involvement of transnational corporations in the spheres of meat processing and marketing in Zimbabwe.

National Canners, an affiliate of Brooke Bond Leibig, is reportedly the only foreign-affiliated company engaged in meat processing: one brand of canned meat is identified with this subsidiary. Brooke Bond Leibig is also active in livestock farming. Other transnational companies engaged in ranching include Lonrho, Anglo-American Ruelets, and Imperial Cold Storage and Supplies. The share of these companies as a group in a national cattle herd of six million approximates three per cent.

350. Among animal-based food products, dairy processing and marketing is another area of government dominance. Through the Dairy Marketing Board, the government plays all roles of commercial participant and regulator of the industry. The Dairy Marketing Board holds virtual monopoly over commercially-produced milk and operates organizations for processing and distributing dairy products. National Foods of the Anglo-American Corporation, Food Specialities of Nestle and Lyons Brooke Bond of J. Lyons make up the list of foreign-affiliated subsidiaries represented in dairy processing. Among them, these companies manufacture more than ten dairy brands and depend on the Dairy Marketing Board for the supply of raw materials.

351. Principal types of fruits and vegetables produced in Zimbabwe include citrus (oranges), deciduous (apples), tropical (bananas).and tomatoes, potatoes, peas. beans, onions and mushrooms. About one third of all fruits is processed into juice or concentrate. Whereas some citrus is exported, there is nc banana surplus beyond domestic consumption. By expanding cold storage facilities, Zimbabwe has been able to extend the availability of apples from domestic sources beyond normal harvest time.

352. There is neither regulatory intervention nor commercial involvement, on the part of the government in the fruits and vegetables sector. Excluding potatoes, large-scale farms are credited for barely ten per cent of vegetable output. Potato farmers are organized into producers' co-operative and exercise control over price, supply and quality. Green peas for processing are obtained through supply agreements between outgrowers and manufacturers.

353. The rank of transnational corporations involved in fruit and beverage processing include Anglo-American Corporation (National Foods, Mazoe Citrus Estate), Brook Bond Leibig (National Canners), Unilever (Lever Brothers), J. Lyons (Lyons Brooke Bond) and Cadbury Schweppes (Schweppes Central Africa). Among them, foreign-affiliated subsidiaries process about twelve brands of fruits and vegetables. Mazoe Citrus Estate of Anglo-American runs a vertically-integrated operation of primary production and processing and enjoys a significant market position.

354. Cotton seeds, soya beans, ground nuts and sunflowers are the principal sources of vegetable oil processed in Zimbabwe. The first three are regulated crops. The Grain Marketing Board acts as a marketing intermediary between farmers of oil seeds and manufacturers of vegetable oil.

355. Cotton seeds and soya beans make up about ninety per cent of the value of oil seed output and are dominated by large-scale farms. Since the Unilateral Declaration of Independence, the share of these two oil seeds increased nearly six fold : the phenomenal growth was spurred by government policy of food self reliance and export diversification.

356. The two transnational corporations engaged in the manufacture of vegetable oils are Anglo-American Corporation (National Foods) and Unilever (Lever Brothers). About sixteen brands of oils and fats are identified with these two companies, fifteen of which belong to Unilever. Unilever is associated with a total of twenty food brands manufactured in Zimbabwe.

357. Maize, wheat, sorghum, barley and rice are the main types of grain cultivated in Zimbabwe. The first three are regulated crops, with large scale-farms as the dominant suppliers. Among foreign companies, Anglo-American Corporation and Hueletts own wheat farms. Maize is one of the main food commodity items exported from Zimbabwe.

358. The governmental body responsible for regulating the grain industry through marketing intervention is the Grain Marketing Board. Other crops falling within the board's regulatory jurisdiction and marketing influence are coffee and oil seeds. The Grain Marketing Board is the sole exporter and importer of regulated crops.

359. The total number of foreign companies processing grain-based food products (grain mill" bakery, animal feed) approaches ten. Anglo-American Corporation and Associated British Foods are involved in the manufacture of cereal-based products. Other than these two, spiller is the only other foreign company active in the line of grain mill products. Reckitt and Coleman manufactures bakery products and animal feeds. Remaining foreign representation within this group of food products is distributed between bakery products (Nestle, Unilever), and animal feeds (Brooke Bond. Hueletts). About four brands of bakery products and eight brands of animal feeds are processed by foreign-affiliated companies in Zimbabwe.

360. Sugar ranks among the most important sectors of Zimbabwe's food industry. It accounts for about ten per cent of the value of agricultural output and is only topped by meat as the ranking food commodity item exported from the country. About sixty per cent of sugar output is destined to foreign markets. Zimbabwe is credited for three per cent of global sugar output and is the leading exporter from Africa.

361. In addition to its important stature in the food industry, the sugar sector is further characterized as unregulated, highly integrated and completely foreign dominated. The main actors in this sphere are Anglo-American Corporation (Hippo Valley Estates), Hueletts Corporation (Tringle Estate) and Tate and Lyle (Rhodesia Sugar Refinery). The cultivation and milling of cane sugar is a duopoly of the first two South African Companies. In addition to minority interest in Hippo Valley Estates, Tate and Lyle exercises monopoly over the refining and marketing of sugar. The only brand sugar marketed in the country belongs to

Tate and Lyle. The ethanol plant at Triangle estates is the first one of its kind on the continent.

362. Tropical beverages principally coffee are an important commodity of domestic food export from Zimbabwe. About two thirds of the coffee produced is grown on irrigated land and the country boasts one of the highest yields in the world. Nearly all coffee delivered to the Grain Marketing Board comes from large-scale farms, and about ninety per cent of it is exported.

363. A little less than two per cent of world tea output is imputed to Zimbabwe. Under the dominance of large-scale farms, tea is emerging an important component of food export. More than three quarters of tea output is destined to foreign markets.

364. Tropical beverages host a number of foreign companies: Brooke Bond Leibig, Nestle Alimentana, James Finlay, J. Lyons, Anglo-American Corporation, Anglo Transvaal Industries and McLeod Russel, & Co.. Four of these companies grow tea. Lyons Brooke Bond is a joint venture between Brooke Bond Leibig and J. Lyons. As a food processing line, tropical beverages are highly amenable to differentiation. Just under forty brands of coffee and tea are processed by foreign-affiliated companies based in Zimbabwe.

365. All sub-sectors of beverage processing are the most highly concentrated in the food industry and subject to foreign dominance. About one hundred brands of soft and alcoholic beverages are manufactured by Zimbabwe-based foreign subsidiaries.

366. Soft drinks are dominated by Cadbury Schweppes, whose subsidiary bottles more than ten brands of soft beverage including those of Coca Cola, Pepsi Cola, Seven-Up, and Canada Dry. Cadbury Schweppes also manufactures confectionery.

367. Delta Corporation, a subsidiary of South African Breweries, has virtual monopoly over beer and malt liquor. South African Breweries stands at the background of nine brands of beer. The company is the sole buyer of barley of malting variety. Nearly all malting barley required is obtained from large-scale farms through contractual supply arrangements. Delta corporation reportedly exports some malt.

368. Beverages in general, spirits and wine in particular, are the lines of food processing most open to differentiation. A single foreign-affiliated company, African Distillers of Grand Metropolitan, peddles more than eighty brands of spirits and wine manufactured in Zimbabwe, about fifty of which are hard liquor. Winery absorbs more than ninety per cent of the grape harvest.

C. Sudan

369. In terms of economic activities, the structure of Sudanese population is predominantly agrarian. Small-scale traditional farms supply most of the food crops. The contribution of industry to the national economy is minor, barely exceeding ten per cent of gross domestic product. Manufacturing, however, accounts for more than half of the industrial activities. Food processing in turn claims more than one third of total manufacturing.

370. The export of goods from the Sudan consists of primary agricultural commodities such as oil seeds and cake, gum arabic sorghum and live animals. The Sudan is a world-class leading exporter of gum arabic, sesame and groundnut.

371. With the exceptions of meat and vegetable oil the country is a net importer of different food products. Sugar and wheat top the list of main food imports.

372. The fact that the Sudan, a country of predominantly subsistence farmers, is an exporter of preponderantly primary food commodities, implies that the role of food processing is rather marginal. This is caused by absence of existing export market and a small urban-cum-industrial population base. Whereas food and beverage processing may be rated as insignificant in terms of the national economy, it stands out as a major activity within a primarily agro-based manufacturing sector.

373. The structure of domestic consumption sheds some light on the internal arrangement of the food industry from the demand side. Foods and beverages absorb more than two thirds of domestic consumption expenditure. About ninety per cent of this is claimed by cereal products, fruits and vegetables, sugar, vegetable oil, meat and dairy. Correspondingly, these lines of the industry constitute relatively significant sectors.

374. Apart from simple slaughtering by a few municipal establishments for a segment of the urban market, no meat processing exists in the Sudan presently. The country depends on external sources, even for military rations of canned meat.

375. In view of a large livestock population, vast areas suitable for animal husbandry and existing external markets in the Middle East, the meat industry is an area of potential growth. A recent government action to establish two statutory organizations is a concrete step towards exploitation of the Sudan's livestock resources. The Livestock and Meat Marketing Corporation is the equivalent of a regulatory body with authority over the promotion and regulation of meat and dairy industries. The Animal Production Public Corporation acts as a holding company for government investments in meat, dairy, fishery and animal feeds. The state company is a partner in about half a dozen joint ventures involving Arab countries and the Arab Authority for Agricultural Investment and Development. Alfa Laval of Switzerland is a minority shareholder in one of the ventures involving a milk reconstitution project. J. Lyons is the sole owner of an ice cream making subsidiary controlling a major segement of the market. Although an operation of minor proportions, J. Lyons is one of the very few transnational corporations investing directly in food processing in the Sudan. Government involvement in the dairy line is reflected in the assortment of food products processed by the Food Industries Corporation. Some of the operating plants of the state-owned company intermittently supply milk powder, cheese, and butter.

376. Practically all meat and dairy production and processing projects presently in the making have vertically-integrated feed mills. Requisite inputs for processing animal feed are readily available from by-products of sugar, vegetable oil and cereal products. On account pastoralism as the prevalent form of livestock farming, the manufacture of animal feeds barely exists at present.

377. Six out of seven plants converting fruits and vegetables are subsidiaries of the state owned Food Industries Corporation. These factories can tomatoes, fruits, jam, marmalde, dates and juice and dehydrate onion, karkadeh and gum arabic. But they operate well below capacity due to bottlenecks arising from shortages of raw materials and basic utilities.

378. The Sudan is a major producer but a minor processor of oil seeds. The bulk of vegetable oil extraction assumes the form of semi-processed oil cake for the export market. Although oil refining is credited for a small share of the sector's activities, vegetable oil is one of the areas close to achieving self-sufficiency. The industry is completely controlled by a relatively large number of small privately-owned local firms.

379. The existing milling capacity of flours, all of which is owned by private local interest, reportedly exceeds current requirements. But the country is facing general shortages of grain. Whereas an export surplus of sorghum is produced, domestic sources of wheat barely measure up to half of total requirements. The supply condition of these cereals has prompted the Sudan Development Corporation, a state-owned investment concern with a large portfolio of interest in agro-based industries, to promote flour plants for blending sorghum and wheat, in response to technical and market investigations by the Food Research Centre.

380. Both in terms present realities and future possibilities, sugar is indisputably the most important sector of food and beverage processing. It is the largest single drain on scarce hard currency, and -- understanably -- the one sector where the government is vigorously pursuing a goal well beyond complete import displacement.

381. The sugar industry of the Sudan consists of the Sugar and Beverage Corporation, Sugar Trading Corporation and Kenana Sugar Company. The Sugar and Beverage Corporation is a wholly state-owned holding company, running three operating subsidiaries and three others at the investment phase of development. Guenid, New Halfa, and Sennar sugar factores supply less than half of the domestic sugar requirement, and reportedly operate at less than half capacity.

382. Kenana is a company with world-class stature; its most distinguishing aspect is adoption of integrated milling and refining processes. It is the largest sugar comapny in the world with this feature and the only one of its kind in the third world. The company has an annual refining capacity of 330,000 tons of sugar. By the middle of this decade, when Kenana is expected to operate at full capacity, the three components of the project (irrigation, estate, factory) are expected to employ more than ten thousand people. At full steam, sugar flowing from Kenana will be distributed, half and half, between domestic and export markets. Ten per cent of the sales to the Sugar Trading Corporation for domestic distribution is to be paid in hard currency.

383. Another striking feature of the Kenana Sugar Project is its energy self-reliance. Design of the factory integrates conversion of bagasse from milling operation into electric power, and the company contributes surplus electric energy to the national grid.

384. The host country controls only forty-one per cent of Kenana shares, thirty seven per cent of which is owned by the government itself. More than half of total shares belong to Kuwait and Saudi Arabia. Equity participation by transnational corporations includes only Lonrho and Nissho-Iwai. The hodling of these companies is under one per cent of the outstanding stocks.

385. The relationship between the Kenana Sugar Company and transnational companies is largely non-equity. Arkel International and Alexander and Baldwin Agribusiness, both of the United States, have been awarded contracts for management and technical services. Nissho-Iwai of Japan is the commission agent for external marketing of sugar. Pending completion of an animal feed project in the vicinity of Kenana sponsored by the Arab Authority for Agricultural Investment and Development, molasses from Kenana will be exported by United Molasses, an associate of Tate & Lyle.

386. The most outstanding feature of foreign involvement in the food industry of the Sudan is acquisition of technological packages, in a form of turnkey projects, financed as joint venture with Arab capital and credit obtained from financial institutions domiciled in the home country of technology suppliers. For the most part Arab capital is funnelled to the food industry through the Arab Authority for Agricultural Investment and Development, or Tripple AID as it is popularly known. The multinational investment organization, subscribed to by almost all Arab states, is an outgrowth of the last oil embargo and is conceived of as the food equivalent of regional security. Tripple AID is the largest single foreign investor in the economy and is sporsoring thirteen food projects at different phases of development, including poultry, dairy, fruits and vegetables, vegetable of oil, glucose and starch and animal feeds. The perspective plan of the Authority envisages total investment of six billion dollars by year 2000 with the Arab region as the target market.

A P P E N D I C E S

Table I-1 External Trade of Kenya in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial use and Household Consumption, 1972-1978

Category	1972			1973		
	Export	Import	Trade balance	Export	Import	Trade Balance
Primary	48 951	4 951	44 000	59 912	6 932	52 980
For Industry	26 906	2 455	24 451	37 310	4 815	32 495
For Household Consumption	22 045	2 496	19 549	22 602	2 116	20 486
Processed	13 128	14 543	(	15 071	14 881	190
For Industry	1 051	3 883	(2 832)	1 970	4 693	(2 723)
For Household Consumption	12 577	10 660	2 017	13 101	10 189	2 912
Primary and Processed	62 079	19 494	43 185	74 983	21 813	53 170
For Industry	27 957	6 338	21 619	39 280	9 508	29 772
For Household Consumption	34 722	13 156	21 566	35 703	12 305	23 398
Total	127 848	197 851	(70 003)	174 420	228 552	(54 132)

	1974			1975		
	Export	Import	Trade balance	Export	Import	Trade balance
Primary	67 328	4 675	62 653	67 676	6 609	61 067
For Industry	40 532	2 654	37 878	36 278	4 712	31 566
For Household Consumption	26 796	2 021	24 775	31 398	1 896	29 501
Processed	15 100	20 720	(5 020)	14 741	14 784	(43)
For Industry	2 275	7 806	(5 531)	2 395	8 925	(6 530)
For Household Consumption	13 425	12 914	(511)	12 346	5 859	6 487
Primary and processed	82 028	25 395	57 633	82 417	21 393	61 024
For Industry	42 807	10 460	32 347	38 673	13 637	25 036
For Household Consumption	40 221	14 935	25 286	43 744	7 756	35 9 8
Total	228 753	383 875	(155 112)	230 356	362 586	(132 230)

Table I.1. External Trade of Kenya in Primary and Processed Foods and Beverages by Broad Categories of Aggregate Industrial Use and Household Consumption, 1972-1978 (cont'd)

Category	1975			1977		
	Export	Import	Trade balance	Export	Import	Trade balance
Primary	135 873	2 786	133 087	289 158	4 977	284 181
For Industry	95 926	393	95 533	206 257	2 894	203 363
For Household Consumption	39 947	2 393	37 554	82 951	2 083	80 818
Processed	23 713	23 524	189	25 943	22 482	3 461
For Industry	2 805	11 379	(8 514)	2 117	14 575	(12 458)
For Household Consumption	20 908	12 145	8 763	23 826	7 907	15 919
Primary and Processed	159 586	26 310	133 276	315 101	27 459	287 642
For Industry	98 731	11 772	86 959	208 374	17 569	190 905
For Household Consumption	60 855	14 538	46 317	106 727	9 990	96 737
Total	335 395	406 997	(71 602)	480 259	531 445	(51 187)

	1978			1972-1978		
	Export	Import	Trade balance	Export	Import	Trade balance
Primary	198 338	11 729	186 609	123 891	6 094	117 797
For Industry	126 025	7 245	118 780	81 319	3 595	77 724
For Household Consumption	72 313	4 484	67 829	42 572	2 499	40 073
Processed	19 350	26 774	(7 424)	18 321	19 673	(1 352)
For Industry	711	16 937	(16 226)	1 903	9 743	(7 839)
For Household Consumption	18 639	9 837	8 802	16 417	9 930	6 487
Primary and Processed	217 688	38 503	179 185	143 212	25 767	116 445
For Industry	126 736	24 182	102 554	83 223	13 338	69 885
For Household Consumption	90 952	14 321	76 631	58 989	12 429	46 560
Total	369 965	561 125	(291 160)	278 144	396 062	(117 918)

Source: Central Bureau of Statistics, Statistical Abstract, 1974, 1975, 1979.

Table I-2. External Trade of Kenya in Foods and Beverages by type of Principal Commodities, 1972-78

Type	1972			1973		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Meat	5 419	-	5 419	4 550	-	4 550
Processed	5 223	-	5 223	3 948	-	3 948
Unprocessed	196	-	196	602	-	602
Dairy	4 192	290	3 902	5 279	49	5 230
Processed	4 192	290	3 902	5 279	49	5 230
Unprocessed	-	-	-	-	-	-
Fruits & vegetables	5 870	1 158	4 712	5 762	1 141	4 621
Processed	3 109	1 158	1 951	3 812	1 141	2 671
Unprocessed	2 761	-	2 761	1 950	-	1 950
Fish	296	420	(124)	353	575	(222)
Processed	296	420	(124)	353	575	(222)
Unprocessed	-	-	-	-	-	-
Vegetables & animal oils & fats	825	3 882	(3 057)	1 012	5 144	(4 132)
Processed	560	3 882	(3 322)	550	5 144	(4 594)
Unprocessed	265	-	265	462	-	462
Cereals	681	2 092	(411)	6 734	3 607	3 127
Processed	203	497	(294)	341	10	331
Unprocessed	478	1 595	(1 117)	6 393	3 597	2 796
Bakery products	-	-	-	-	-	-
Processed	-	-	-	-	-	-
Unprocessed	-	-	-	-	-	-
Sugar	-	7 053	(7 053)	-	6 735	(6 735)
Processed	-	7 053	(7 053)	-	6 735	(6 735)
Unprocessed	-	-	-	-	-	-
Confectionery	-	357	(357)	-	357	(357)
Processed	-	357	(357)	-	357	(357)
Unprocessed	-	-	-	-	-	-
Tropical Beverages	41 254	979	40 275	52 747	609	52 138
Processed	16 485	979	15 506	16 970	609	16 361
Unprocessed	24 769	-	24 769	35 777	-	35 777
Other Foods	4 110	3 231	879	3 901	3 850	51
Processed	4 110	3 231	879	3 901	3 850	51
Unprocessed	-	-	-	-	-	-
Animal Feeds	432	-	432	1 120	-	1 120
Processed	432	-	432	1 120	-	1 120
Unprocessed	-	-	-	-	-	-
All Foods	63 079	19 462	43 617	81 458	22 067	59 391
Processed	34 610	17 867	16 743	36 274	18 470	17 804
Unprocessed	28 469	1 595	26 874	45 184	3 597	41 587
Beverages and Tobacco	594	2 487	(1 893)	722	2 200	(1 478)
Processed	594	2 487	(1 893)	722	2 200	(1 478)
Unprocessed	-	-	-	-	-	-
All Foods, Beverage & Tobacco	63 673	21 949	41 724	82 182	24 267	57 913
Processed	35 204	20 354	14 584	36 998	20 670	16 328
Unprocessed	28 469	1 595	26 874	45 184	3 597	41 587

Table I-2. External Trade of Kenya in Foods and Beverages by type of Principal Commodities, 1972-78 (cont'd)

TYPE	1974			1975		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Meat	5 108	-	5 108	5 573	-	5 573
Processed	4 675	-	4 675	5 135	-	5 135
Unprocessed	433	-	433	538	-	538
Dairy	4 382	41	4 341	3 379	422	2 957
Processed	4 382	41	4 341	3 379	422	2 957
Unprocessed	-	-	-	-	-	-
Fruits and vegetables	7 431	1 175	6 256	10 248	1 013	9 235
Processed	4 139	1 175	2 964	6 802	1 013	4 789
Unprocessed	3 293	-	3 292	3 446	-	3 446
Fish	404	811	(407)	353	629	(276)
Processed	404	811	(407)	353	629	(276)
Unprocessed	-	-	-	-	-	-
Vegetable & Animal Oils & Fats	1 541	8 815	(7 274)	1 486	7 914	(6 428)
Processed	1 039	8 815	(7 776)	843	7 914	(7 071)
Unprocessed	502	-	502	643	-	643
Cereals	2 546	1 714	832	5 069	4 232	837
Processed	86	641	(555)	8	17	(9)
Unprocessed	2 460	1 073	1 387	5 061	4 215	846
Bakery Products	-	-	-	-	-	-
Processed	-	-	-	-	-	-
Unprocessed	-	-	-	-	-	-
Sugar	-	8 876	(8 876)	-	2 600	(2 600)
Processed	-	8 876	(8 876)	-	2 600	(2 600)
Unprocessed	-	-	-	-	-	-
Confectionery	-	136	(136)	-	238	(238)
Processed	-	136	(136)	-	238	(238)
Unprocessed	-	-	-	-	-	-
Tropical Beverages	57 778	501	57 277	58 136	602	57 534
Processed	19 391	501	18 890	22 932	602	22 330
Unprocessed	38 387	-	38 387	35 204	-	35 204
Other Foods	5 130	4 071	1 059	2 580	4 115	(1 535)
Processed	5 130	4 071	1 059	2 580	4 115	(1 535)
Unprocessed	-	-	-	-	-	-
Animal Feeds	576	-	576	638	-	638
Processed	576	-	576	638	-	638
Unprocessed	-	-	-	-	-	-
All Foods	84 896	25 140	58 756	87 562	21 765	65 797
Processed	39 822	25 067	14 755	42 670	17 550	25 120
Unprocessed	45 074	1 073	44 001	44 892	4 215	40 677
Beverages & Tobacco	428	3 940	(3 512)	258	3 468	(3 210)
Processed	428	3 940	(3 512)	258	3 468	(3 210)
Unprocessed	-	-	-	-	-	-
All Foods, Beverages & Tobacco	85 324	30 080	55 244	87 820	25 233	62 587
Processed	45 074	1 073	44 001	44 892	4 215	40 677
Unprocessed	40 250	29 007	11 243	42 928	21 018	21 910

Table I-2 External Trade of Kenya in Foods and Beverages by type of Principal Commodities, 1972-78 (cont'd)

Type	1976			1977		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Meat	9 868	-	9 868	8 228	-	8 228
Processed	8 386	-	8 386	7 597	-	7 597
Unprocessed	1 482	-	1 482	631	-	631
Dairy	1 809	340	1 469	1 295	244	1 051
Processed	1 809	340	1 469	1 295	244	1 051
Unprocessed	-	-	-	-	-	-
Fruits and Vegetables	15 741	955	14 786	22 896	1 102	21 794
Processed	13 087	955	13 132	20 014	1 102	18 912
Unprocessed	2 654	-	2 654	2 882	-	2 882
Fish	422	601	(179)	435	341	94
Processed	422	601	(179)	435	341	94
Unprocessed	-	-	-	-	-	-
Vegetable & Animal Oils & Fats	1 916	11 223	(9 307)	1 720	13 880	(12 160)
Processed	1 098	11 223	(10 125)	365	13 880	(13 315)
Unprocessed	818	-	818	1 355	-	1 355
Cereals	5 673	1 799	3 874	689	2 424	(1 735)
Processed	29	1 784	(1 755)	30	446	(416)
Unprocessed	5 644	15	5 629	659	1 978	1 319
Bakery Products	-	-	-	-	-	-
Processed	-	-	-	-	-	-
Unprocessed	-	-	-	-	-	-
Sugar	-	7 470	(7 470)	-	3 988	(3 988)
Processed	-	7 470	(7 470)	-	3 988	(3 988)
Unprocessed	-	-	-	-	-	-
Confectionery	-	88	(88)	-	26	(26)
Processed	-	88	(88)	-	26	(26)
Tropical Beverages	125 066	1 178	123 888	275 115	1 454	274 661
Processed	31 763	1 178	30 585	71 779	1 454	70 325
Unprocessed	93 303	-	93 303	204 336	-	204 336
Other Foods	4 623	2 074	2 549	4 448	3 375	1 073
Processed	4 623	2 074	2 549	4 448	3 375	1 073
Unprocessed	-	-	-	-	-	-
Animal Foods	1 366	-	1 366	1 193	-	1 193
Processed	1 366	-	1 366	1 193	-	1 193
Unprocessed	-	-	-	-	-	-
All Foods	166 484	25 728	140 756	317 019	26 834	890 185
Processed	62 583	25 713	36 870	107 156	24 856	82 300
Unprocessed	103 901	15	103 886	209 863	1 978	207 885
Beverages and Tobacco	434	5 825	(5 391)	585	3 866	(3 181)
Processed	434	5 825	(5 391)	585	3 866	(3 181)
Unprocessed	-	-	-	-	-	-
All Food, Beverages & Tobacco	156 918	31 553	135 365	317 704	30 700	287 004
Processed	63 017	3 538	31 479	107 841	28 722	66 585
Unprocessed	103 901	15	103 886	209 863	1 978	207 885

Table I-2. External Trade of Kenya in Foods and Beverages by type of Principal Commodities, 1972-78 (cont'd)

Type	1978			Average (1972-78)		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Meat	2 899	-	2 899	5 964	-	5 964
Processed	2 721	-	2 721	5 384	-	5 384
Unprocessed	178	-	178	580	-	580
Dairy	2 172	67	2 105	3 215	208	3 007
Processed	2 172	67	2 105	3 215	208	3 007
Unprocessed	-	-	-	-	-	-
Fruits and Vegetables	20 218	1 375	18 753	12 582	1 131	11 451
Processed	17 986	1 375	16 611	9 849	1 131	8 718
Unprocessed	2 142	-	2 142	2 733	-	2 733
Fish	430	364	66	385	535	(150)
Processed	430	364	66	385	535	(150)
Unprocessed	-	-	-	-	-	-
Vegetable & ANIMAL Oils & Fats	1 616	16 116	(14 500)	1 445	9 568	(8 123)
Processed	254	16 116	(15 862)	673	9 568	(8 895)
Unprocessed	1 362	-	1 362	772	-	772
Cereals	740	6 093	5 353	3 162	3 137	25
Processed	26	175	(149)	103	510	(407)
Unprocessed	714	5 918	(5 204)	3 058	2 627	431
Bakery Products	-	-	-	-	-	-
Processed	-	-	-	-	-	-
Unprocessed	-	-	-	-	-	-
Sugar	-	4 551	(4 551)	-	5 896	(5 896)
Processed	-	4 551	(4 551)	-	5 896	(5 896)
Unprocessed	-	-	-	-	-	-
Confectionery	-	62	(62)	-	181	(181)
Processed	-	62	(62)	-	181	(181)
Unprocessed	-	-	-	-	-	-
Tropical Beverages	187 866	3 811	184 005	114 137	1 305	112 832
Processed	63 187	3 812	59 375	34 644	1 305	33 339
Unprocessed	124 679	-	124 679	79 494	-	79 494
Other Foods	2 860	5 081	(2 221)	3 950	3 685	265
Processed	2 860	5 081	(2 221)	3 950	3 685	265
Unprocessed	-	-	-	-	-	-
Animal Feeds	1 017	-	1 017	906	-	906
Processed	1 017	-	1 017	906	-	906
Unprocessed	-	-	-	-	-	-
All Foods	219 728	37 520	182 208	145 747	25 645	120 102
Processed	90 653	31 602	59 051	59 110	23 018	35 092
Unprocessed	129 075	5 918	123 157	86 637	2 627	84 010
Beverages and Tobacco	591	7 478	(6 887)	531	4 181	(3 650)
Processed	591	7 478	(6 887)	531	4 181	(3 650)
Unprocessed	-	-	-	-	-	-
All Foods, Beverages & Tobacco	220 319	44 998	175 321	146 277	29 826	116 451
Processed	91 244	39 080	52 164	59 640	27 199	32 441
Unprocessed	129 075	5 918	123 157	86 637	2 627	84 010

Source: As for Table I-1.

Table I-3. Kenya Companies involved in the Export of Foods and Beverages by type of commodity

Meat

1. Continental Butchery
2. E.A. Meat Products Co. (1965) Ltd.,
3. Fred Lekers & Co. (K) Ltd.,
4. Ideal Farm
5. Kenya Livestock & Estate Ltd.,
6. Kenya Poultry Development Co. Ltd.,
7. Kenya Meat Commission
8. as Caters Ltd.,
9. Poultex (Mo bassa) Ltd.,
10. Spentax
11. Uplands Bacon Factory (K) Ltd.,
12. Washanga Poultries
13. West End Butchery

Diary

14. Abdalla Seileman Jaradi
15. Chai Exports (K) Ltd.,
16. Continental Butchery
17. Cow & Gate (East Africa) Ltd.,
18. Doinyo Lessos Creameries Ltd.,
19. Erskine & Price (Mfg) Ltd.,
20. Food Specialities Kenya Ltd.,
21. Kenya Cold Storage (1964) Ltd.,
22. Kenya Co-operative Creameries Ltd.,
23. Kenya Milk Products Ltd.,
24. Kenya Transport & Marketing Agency.
25. Malin Farm Eggs Lts.,
26. Mansour Abdulla Bader Matraf.
27. Quality Eggs Ltd.
28. Shantilal Pethraj & Co. Ltd.

Fruits & Vegetables

29. A.N. Alibhai
30. African Cabinet EA
31. African Horticultural Exports Ltd.
32. African Emporter & Exporters Ltd.,
33. African Panjatan Company.
34. African Strs Ltd.,
35. Agricultural Development Corporation.
36. Ambico Foods Ltd.,
37. Bazaar Distributors.
38. Borsumy (A) Ltd.,
39. Chia Exports (K) Ltd.
40. Coca-Cola Africa Ltd.,

Table I-3. Fruits & Vegetables (cont'd)

41. Coffee Exporters (K) Ltd.
42. Corner Shop
43. Darbar & Co. Ltd.
44. Devchand Keshavij (K) Ltd.
45. E.A. Growers Ltd.
46. Emirate Agencies Ltd.
47. Erskine & Price (Mfg.) Ltd.
48. Fintaral Ltd.
49. Fred Lekers & Co. (K) Ltd.,
50. Fred P. Newman & Partners (E.A.) Ltd.
51. Garden & Plants.
52. Gitas Gift Centre
53. Horticultural Co-operative Union Ltd.
54 Ideal Farm
55. Internoma Trade A.B.
56. Interpromos (A) Ltd.
57. Jaferali Lalji Ltd.
58. James Njoroge Vegetable Supplies.
59. Juja Holdings (K) Ltd.
60. Jupiter Industries.
61. Kabazi Canners Ltd.
62. Kasamali Gulamhyseinco. (K) Ltd.
63. Kenfresh Exports Ltd.
64. Kenya Cashewnuts Ltd.
65. Kenya Coffee & Produce Ltd.
66. Kenya Fruits Processors Ltd.
67. Kenya Horticultural Exporters.
68. Kenya Nut Co. Ltd.
69. Kenya Orchards Ltd.
70. Kenya Poultry Development Co. Ltd.
71. Kenya Peanut Co. Ltd.
72. Kibos Industries.
73. KIM International Agencies.
74. Lalit T. Pandit Ltd.
75. Maize & Produce Board.
76. Makindu Growers.
77. Malde & Co. Ltd.
78. M/S Meka Trading Co. Ltd.
79. Multiple Distributors.
80. Nairobi Horticultural Exporters.
81. Narshidas Odhavji.
82. Naumann Gep (E.A) Ltd.
83. Nemchand Narshi Co.
84. Noormohamxed Valji & Sons.
85. Oswal Enterprise.
86. Pfizer Laboratories.
87. Pinaki Limited.
88. Pisu & Co. Ltd.
89. Plantex Limited.
90. S.A. Hasham (Africa) Ltd.

Table I-3. Fruits & Vegetables (cont'd)

91. Shah Lalji Kanji
92. Solai Stores.
93. Sunderji Nanji Ltd.
94. Superlix Co. Ltd.
95. Suronium Ltd.
96. Syed Hussein Horticultural Products.
97. Tanga Trading Co.
98. Thankker P.N.
99. Transespo Ltd.
100. Truffods Ltd.
101. Unga Ltd.
102. Vegair (K) Ltd.
103. Vohora Brot. Brs. (K) Ltd.
104. W.J. Allan & Co.
105. Wanyo Ltd.
106. West End Butchery.

Fisheries

107. Fishco (K) Ltd.
108. Fred Lekers & Co. (K) Ltd.
109. Kenya Fishing Industries.
110. Louis Dreyfus & Co. Ltd.
111. Pioneer Laboratoreis
112. Samaki Industries Kenya Ltd.
113. Teletrade.
114. Zaburva Exporters Ltd.
115. Acif Oil Refinery Ltd.
116. Caprice Enterprises Ltd.
117. Coastal Industries Ltd.
118. Ecila Ltd.
119. Erskine Price (Mfg.) Ltd.
120 Winter Land (A) Ltd.
121. Horticultural Co-operative Union Ltd.
122. Kenya General Agency.
123. Kenya Horticultural Exporters (1977).
124. Kenya Shipping Agency.
125. Kibos Industries.
126. Kalidas Kanji (A) Ltd.
127. KUM International Agencies.
128. Kisumu Wala Oil Industries.
129. Kital Industries Ltd.
130. Mohamedali G. Abdulla.
131. Mombassa Soap & Oils Manufacturers Ltd.
132. Narshidas & Co. Ltd.
133. Oudal Trading Co. Ltd.
134. Omar Trading Co.
135. Overseas Trading Co. Ltd.

Table I-3. Fisheries (cont'd)

126. P.J. Products Ltd.
127. Prontex Export Agencies Ltd.
128. Proctor & Allan Ltd.
129. Produce Millers & Dealers Ltd.
140. Pylon (AE).
141. Rift Valley Products Ltd.
142. S.A. Nasham (Africa) Ltd.
143. S & G. Trading Co.
144. Shah Lalji Kanji.
145. Sunderji Nanji Ltd.
146. Superlix Co. Ltd.
147. Suronium Ltd.
148. Syed Hussein Horticultural Products.

Grain Mill

149. Atta (1974) Ltd.
150. Bazaar Distributors.
151. Caprico Enterprises Ltd.
152. Cetco Ltd.
153. Chai Exports (K) Ltd.
154. Cremex Ltd.
155. D.J. Lowe.
156. Devchand Keshavji (K) Ltd.
157. Darmshi Pan Cha Shah.
158. Ecila Ltd.
159. Elianto Kenya Ltd.
160. Grain Millers Ltd.
161. Heinemann Krinku & Co. Ltd.
162. Hussein & Co.
163. Jupiter Industries.
164. Kenya Coffee & Produce Ltd.
165. Kenya Millers Ltd.
166. Kenya National Mills Ltd.
167. Kitale Industries Ltd.
168. Lalit T. Pandit Ltd.
169. Maize & Produce Board.
170. Maize Ltd.
171. Makindu Growers.
172. Mamujee Brothers Ltd.
173. Mansour Abdulla Bader Matraf.
174. M/S Meka Trading Co. Ltd.
175. Mwea Rice Mills Ltd.
176. Nairobi Flour Mills Ltd.
177. Omar Trading Co.
178. Osval Enterprise.
179. Pinaki Limited.
180. Proctor & Allan Ltd.

Table I-3. Grain Mill (cont'd)

181. Produce Millers' Dealers Ltd.
182. Shah Rupshi Meahi & Co.
183. Sunderji Nanji Ltd.
184. Unga Ltd.
185. United Nyanza Co. Ltd.
186. Vegair (K) Ltd.
187. Victoria Flour Mills.

Bakery

188. Broadway Bakery Ltd.
189. Erskine & Price (Mfg.) Ltd.
190. P.J. Products Ltd.
191. Proctor & Allan Ltd.

Sugar

192. E.A. Storage Co. Ltd.
193. Mewani Sugar Mills Ltd.
194. Mumias Sugar Co. Ltd.
195. Noormohamed Valji & Sons.

Conffectionery

196. Cadbury Schweppes Holdings Ltd.
197. Erskine & Price (Mfg.) Ltd.
198. Nyanza Mattres Manufacturers Ltd.
199. P.J. Products Ltd.

Coffee

200. African Coffee Company Ltd.
201. African Highlands Produce Ltd.
202. Alan W.J. & Co. Ltd.
203. Alanwood Limited.
204. Alibhai Ranji (Mombassa) Ltd.
205. Borsumy (A) Ltd.
206. Cadbury Schweppes Holdings Ltd.
207. C. Dorman.
208. Chai Exports (K) Ltd.
209. Chai Ltd.
210. Coffee Exporters (K) Ltd.

Table I-3. Coffee (cont'd)

211. Darmshi Pan Cha Shah.
212. E.A. Acceptances Ltd.
213. Eala Ltd.
214. Erskine & Price (Mfg.) Ltd.
215. Expo Africa Ltd.
216. Fred P. Newman & Exporters.
217. Green Coffee Ltd.
218. Heinemann Kriuki & Co. Ltd.
219. Inter Pormos (A) Ltd.
220. Jufa Coffee.
221. K. Koy Engineering Services Ltd.
222. Kassamali Gulamhyseim Co. (K) Ltd.
223. Kenya Coffee & Produce Ltd.
224. Kenya National Trading Corporation.
225. Kenya Planters Co-op Union.
226. Kalidas Kanfi (A) Ltd.
227. Lalit T. Pandit Ltd.
228. M.A. Panfu & Bros.
229. Malde & Co. Ltd.
230. Meghji Kanfi & Co. Ltd.
231. Mwanqi Coffee Exporters Ltd.
232. Naumann Gep (EA) Ltd.
233. Panfu M.A. & Bros Ltd.
234. Pinaki Limited.
235. Prontex Export Agencies Ltd.
236. Sasini Tea & Coffee Ltd.
237. Taylor Winch Ltd.
238. Unga Ltd.
239. Vali Mohammed Haji Waijee & Co.
240. Vohora Brothers (K) Ltd.
241. W.J. Allan & Co.

Tea

242. African Highlands Produce Co. Ltd.
243. Alanwood Limited.
244. Alibhai Ramji (Monbassa) Ltd.
245. C. Dorman.
246. Chai Exports (K) Ltd.
247. Chai Ltd.
248. D.J. Lowe.
249. Devchand Keshavi (K) Ltd.
250. Eastern Produce Africa Ltd.
251. E.A. Acceptances Ltd.
252. E.A. Coffee Ltd., Plantations.
253. Estates Services Ltd.
254. Expo Africa Ltd.
255. George Williams Son Kenya Ltd.
256. International Shipping Agency.

Table I-3. Tea (cont'd)

257. Juja Coffee.
258. K. Kay Engineering Services Ltd.
259. Kassamali Gulamhyssin Co. (K) Ltd.
260. Kenya Tea Development Authority.
261. Kalidas Kanji (A) Ltd.
262. Kitco Ltd.
263. Koi Sagat Tea Estate.
264. Lalit T. Pandit Ltd.
265. Lipton Ltd.
266. Livingstone Registrators Ltd.
267. M.A. Panju & Bros.
268. M.J. Clarke.
269. Malde & Co. Ltd.
270. Meghji Kanji & Co. Ltd.
271. Mombassa Soap & Oil Manufacturers Ltd.
272. Mombassa Tropical Crop E.A. Enterprises.
273. Nandi Tea Estates.
274. Ngorongo Tea Factory Ltd.
275. Panju M.A. & Bros Ltd.
276. Philips, Harrison & Crossfield Ltd.
277. Port Hauliers.
278. R.A. Ronsky Ltd.
279. R.O. Mernel.
280. Rakiki Enterprises Ltd.
281. S.A. Hasham (Africa) Ltd.
282. Sosini Tea & Coffee Ltd.
283. Shimonzi Warehousing.
284. Stansand Africa
285. Taklor Winch Ltd.,
286. Theta Group of Companise Ltd.,
287. Umojo Tea Exporters Ltd.,
288. Unixine
289. Vali Mohamed Haji Waijee & Co.
290. Van Reer (G.B) Ltd.
291. Vista Ltd.
292. Wanyo Ltd.
293. Zaburwa Exporters Ltd.

Miscellaneous Foods n.e.c

294. Grenex Ltd.
295. Dongre (K) Ltd.
296. E.A. Tanning Extract Co. Ltd.
297. Enjay Chemicals
298. Eriskine & Price (Mfg) Ltd.
299. Esco (K) Ltd.
300. Food Manufactures
301. Fundisha Salts Works Ltd.

Table I-3. Miscellaneous Foods n, e.c (cont'd)

302. Grain Millers Ltd.
303. International Flavours & Fragrances IFF(EA) Ltd.
304. Kabozi Canners Ltd.
305. Kanti Industries.
306. Kenya Apiaries Ltd.
307. Kenya Spicers Packers.
308. Mansour Abdulla Bader Matraf.
309. Narandas Odhanji
310 Oswal Enterprise.
311. P.J. Products Ltd.
312. Proctor & Allan Ltd.
313. Shantilal Pethraj & Co. Ltd.
314. Solai Stores.
315. Superlix Co. Ltd.
316. Syed Hussein Horticultural Products.
317. Tanga Trading Co.
318. Trufoods Ltd.
319 Virano Curry Powder & Flour Mills (K) Ltd.

Animal Feed

320. A.B.C. Foods.
321. Atta (1974) Ltd.
322. C.P.C. Kenya Ltd.
323. Hussein & Co.
324. Kibos Industries.
325. Kitale Industries Ltd.
326. Mumujer Brothers Ltd.
327. Muus Kenya Ltd.
328. Mwea Rice Mills Ltd.
329. Nakuru Oil Mills Ltd.
330. P.J. Products Ltd.
331. Pfizer Laboratories.
332. Prontex (Mombassa) Ltd.
333. Rift Valley Products Ltd.
334. Sava Mills Ltd.
335. Specialized Moulding (K) Ltd.
336. Thakker P.H.
337. Unga Ltd.
338. United Nyanza Co. Ltd.

Table I-3. (Cont'd.)

Beer

339. Gilbeys East Africa Ltd.
340. Kenya Breweries Ltd.

Spirits

341. Coastal Bottlers Ltd.
342. Kenya Wine Agencies.
343. Miwani Sugar Mills Ltd.
344. Pylon (E.A).

Soft Drinks

345. Cadbury Schweppes HOlding Ltd.
346. Coca-Cola Africa Ltd.
347. Coastal Bottlers Ltd.

Source: Compiled from Kenya External Trade Authority, Kenya Export Directory.

Table I-4. Foreign and local Companies Engaged in Food and Beverage Processing in Kenya

1. Meat Processing (ISIC No. 3111)
   1. East African Meat Products Co. (1965) Ltd.
   2. Kenya Meat Commission
   3. Turi Butchery Ltd.
   4. Uplands Bacon Factory (K) Ltd.

2. Dairy Processing (ISIC No. 3112)
   1. Cow & Gate (E.A.) Ltd.
   2. Dairy Den Ltd.
   3. Doinyo Lessos Creameries.
   4. Food Specialities Kenya Ltd.
   5. Glaxo East Africa Ltd.
   6. Graylands.
   7. Kenya Co-operatives Creameries Ltd.
   8. Kenya Milk Products Ltd.
   9. Lyon's Maid (E.A) Ltd.
   10. Sno Cream Parlours Ltd.
   11. Soloi Mawa Factory.

3. Fruits and Vegetables (ISIC No. 3113)
   1. Associated Packers Ltd.
   2. Bean Processing Plant, Maize & Produce Board.
   3. Feingold J.H.
   4. Frozen Foods (Kenya) Ltd.
   5. Kabazi Canners Ltd.
   6. Kenya Canners Ltd.
   7. Kenya Orchards Ltd.
   8. Limuru Canning Factory.
   9. Kenya Shunshine Products Ltd.
   10. Pan African Food (1968) Ltd.
   11. Pan African Vegetable Products Ltd.
   12. Timau Industries.
   13. Trufoods Ltd.

4. Fisheries (ISIC No. 3114)
   1. Bel Mare Kenya Ltd.
   2. Mvita Fisheries (1970) Ltd.
   3. Naivasha Fisheries Co. Exploration Ltd.
   4. North Coast Fisheries Organization.
   5. Samaki Industries (K) Ltd.
   6. Tilapia Industries Ltd.

Table I-4. Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

5. Vegetable and Animal Oils and Fats (ISIC No. 3115)

1. Abarders Oil Millers.
2. ACIF Ltd.
3. Castal Industries Ltd.
4. East African Industries Ltd.
5. Eastern Industrial Works Ltd.
6. Elianto (K) Ltd.
7. Kisumu Mala Oil Millers Ltd.
8. Malaba Mala Kisi Cotton Farmers Co-operative Union Ltd.
9. Mombassa Soap/oil Manufacturers.
10. Nakuru Oil Mills Ltd.
11. Naush Oil Trading Company.
12. Qaizaar Oil Industry.
13. Voi Industries Ltd.

6. Grain Mill Products (ISIC No. 3116)

1. Atta (1974) Ltd.
2. East African Dal & Flour Mills.
3. Farmers Flour Mills.
4. General Mashala Stores.
5. Gudlka Food Manufacturing Co.
6. Haham Lalji & Sons Ltd.
7. Hubuini Posho Millers Co.
8. Jambo Flour Millers
9. Kanagwe Mills & Store.
10. Kaptama Stores.
11. Keera Nyamondo Power Mills.
12. Kenya Flour Mills.
13. Kenya Grain Mills Ltd.
14. Kenya Millers Ltd.
15. Kenya Oatmeal Ltd.
16. Kibos Industries Ltd.
17. Kiritri Posho Mills.
18. Kitale Industries.
19. Maida Ltd.
20. Maize Ltd.
21. Milling Corporation of Kenya Ltd.
22. Modern Furniture & Power Mill.
23. Mt. Kenya Millers.
24. Mucundilsi Grinding Mills.
25. Mulchand Devji.
26. Mwea Rice Mills Ltd.
27. Nakuru Flour Ltd.
28. Nairobi Flour Mills Ltd.
29. National Ungo Industries.
30. Nyanza Millers Ltd.

Table I-4 Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

6. Grain Mill Products (ISIC No. 3116) (cont'd)

31. Nyanza Oil Mills Co. Ltd.
32. Ochola J.Z.
33. Opango & Co. Ltd.
34. Oriedo Esau. & Sons.
35. Posho Mills.
36. Rongai Steamroller Mills Ltd.
37. Saloo M.B. & Co.
38. Sava Flour Mills.
39. Shah Flour Mills.
40. Shah Food Grinding Mill.
41. Simba Posho Mills.
42. Simba Posho Mills.
43. Sirande Posho Mills.
44. Solanki Flour Mills.
45. Swastki Food Products.
46. Tan ga Trading Co.
47. Ugali Products Ltd.
48. Unga Ltd.
49. United Flour Mills.
50. Upper Kano Posho Mills.
51. Victoria Flour Mills.

7. Bakery Products (ISIC No. 3117)

1. Anbee Ltd.
2. Anglo Swiss Bakery Ltd.
3. Aurora Baking Co. Ltd.
4. Azania Bakery.
5. Badrudin Popot Daji.
6. Batchelors Bakery Ltd.
7. Broadway Bakery.
8. Chibugwanji (Khayega Baker).
9. Culshan Baker.
10. Delite Baker.
11. Duncans Ltd.
12. Electric Bakery & Confectionery.
13. Elliots Bakeries Ltd.
14. Esmail Khamisa Bakery.
15. Express Bakery.
16. Fairview Bakery.
17. G.G.G. Bakery.
18. Gakuu, Nahashon & Co. Bakery.
19. Gilani Bakeries Ltd.
20. Hiza Bakery.
21. House of Manji (1967) Ltd.
22. Jamlech Kababa.
23. Kahama Bakery.
24. K's Bakers and Confectioners.
25. Kakamega Food Industry.

Table I-4. Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

7. Bakery Products (ISIC No. 3117) (cont'd)

26. Kenbread Ltd.
27. Kenbre Oil Ltd.
28. Kencake Bakery.
29. Kenwaters Ltd.
30. Kisumu Bakery Ltd.
31. Kitale Bakery Ltd.
32. Machakos Charity Bakery.
33. Mayfair Bakeries Ltd.
34. Mbila Bakery (Three Star Bakery).
35. Meru Bakeries Co. Ltd.
36. Mohamedan Bakeries & Confectioners.
37. Nahashon Gakuu & Co.
38. Nairobi Caterers & Confectionery Ltd.
39. Nakuru Pttessrie.
40. New Star Bakery.
41. Ngala & Mulwa Bakery.
42. Nyanza Distributors Lte.
43. Oswai Bakery.
44. Ovendoor Ltd.
45. SciFee Bakeries (1968) Ltd.
46. Sunbean Bakery Ltd.
47. Sussex Bakery & Tea Room Ltd.
48. Swiss Cake Shop.
49. Tela Bakery.
50. Trans Nzonia Bakery Ltd.
51. United African Bakery.

8. Sugar (ISIC No. 3118)

1. Associated Sugar Co. Ltd.
2. Beda Jaggery Factory.
3. Chemilil Sugar Co.
4. E.A. Sugar Industries Ltd.
5. Etago Sugar Cane Factory Trading Co.
6. Kabonda Jeggery Factory Co.
7. Kabras Sugar Investment Co. Ltd.
8. Karindundu Sugar Cane Crusher.
9. Kwambiha Jazzeny Factpry.
10. Marindi Jazzeeny Dealers.
11. Miwani Sugar Mills Ltd.
12. Munias Sugar Co. Ltd.
13. Muzarubers Jazzery Factory.
14. Ndolo Valley Enterprises Ltd.
15. Nyamos Jaggery Factory.
16. Nzaoia Sugar Co. Ltd.
17. Uholo Gazzery Factory Ltd.
18. Variety Jeggery Dealers.
19. Yala Jaggery Factory & Produce Mills.
20. Zirya Farm.

Table I-4 Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

9. Miscellaneous Foods N.e.c. (ISIC No. 3121)

1. African Highlands Produce Co. Ltd.
2. Ambicas Cashews Ltd.
3. Agraphia Manufacturing Co. Ltd.
4. Belpen Manufacturers Ltd.
5. Bizari Industries Ltd.
6. Brook Bond Liebig Kenya Ltd.
7. Central Tea Factory.
8. Central Packing Factory.
9. Chai Ltd.
10. Changana Tea Factory.
11. Cahngoi Ltd.
12. Chebut Tea Factory Co. Ltd.
13. Chemomi Estate.
14. Chinga Tea Factory Co. Ltd.
15. Chomoganday Tea Factory.
16. Cremex Ltd.
17. Coffee and Tea Packets Ltd.
18. Dormani C. Ltd.
19. Elgon Tea Factory Ltd.
20. Erskine & Price Manufacturing Ltd.
21. Fundisha Salt Works Ltd.
22. Githu[illegible] Tea Factory.
23. Glaxo [illegible]anyika (E.A) Ltd.
24. G.P.C. Kenya Ltd.
25. Ikumbi Tea Factory Co. Ltd.
26. Imenti Tea Factory Co. Ltd.
27. International Flavours & Fragrances (E.A) Ltd.
28. Kaimosi Tea Estates Ltd.
29. Kaisugu Ltd.
30. Kaitet Tea Factory Co. Ltd.
32. Kamba Tea Factory Co. Ltd.
31. K[illegible] Factory.
33. Kangaita Tea Factory Co. Ltd.
34. Kanti Industries Ltd.
35. Kapchorua Tea Co. Ltd.
36. Kaphorua Tea Co. Ltd.
37. Kapsumbeiwa Factory Co. Ltd.
38. Karania Packers.
39. Karirana Estates Ltd.
40. Karania Packers.
41. Kebirigo Tea Factory Co. Ltd.
42. Kenya Cashewnuts Ltd.
43. Kenya Food Products Ltd.
44. Kenya Highlands Dehydrated Foods & Allied Industries.
45. Kenya Maruzen Tea Co. Ltd.

Table I-4 Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

9. Miscellaneous Foods N.e.c. (ISIC No. 3121) (cont'd)

46. Kenya Mushrooms Ltd.
47. Kenya Nut Co. Ltd.
48. Kenya Planters Co-operation Union Ltd.
49. Kenya Salt Industries.
50. Kenya Spicers & Packers.
51. Kepchomo Tea Estate.
52. Keritor Ltd.
53. Kianjokoma Tea Factory.
54. Kibwari Tea Estate Ltd.
55. Kipekebe Ltd.
56. Kitco Tea Factory.
57. Kitumbe Tea Factory.
58. Koisagat Tea Estate Ltd.
59. Kymulot Tea Factory.
60. Lelsa Tea Estates Ltd.
61. Limuru Industries.
62. Litein Tea Factory Co. Ltd.
63. Mau Forest Ltd.
64. Mitchell Cotts (Kenya) Ltd.
65. Nandi Tea Estates Ltd.
66. Ngorongo Tea Factory.
67. Nyambeni Tea Co. Ltd.
68. Nyankoba Tea FActory Co. Ltd.
69. Nyasiongo Tea Co. Ltd.
70. Old East African Trading Co. Ltd.
71. Oswal Enterprises.
72. P.J. Products Ltd.
73. Pick Well Products (E.A) Ltd.
74. Popat Bros.
75. Raganti Tea Factory.
76. Rift Valley Products Ltd.
77. Sapa Industries.
78. Saosa Tea Factory.
79. Savani Tea Estates.
80. Salt Manufacturers Kenya Ltd.
81. Shana Industries Ltd.
82. Sirat Tea Co. Ltd.
83. Sotik Highlands Tea Estate.
84. Sotik Tea Co. Ltd.
85. Subukia Tea Col Ltd.
86. Swan Industeies (K) Ltd.
87. Tegat Tea Factory Co. Ltd.
88. Thumaita Tea Factory Ltd.
89. Tinderet Tea Estates Ltd.
90. Twiga Products Ltd.
91. Virani Curry Powder & Flour Mills.

Table I-4. Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

10. Prepared Animal Feeds (ISIC No. 3122)

1. ABC Foods
2. Belfast Millers.
3. Feeds Ltd.
4. Kenya Molasses Cattle Feeds Ltd.
5. Kenya Textile Mills Ltd.
6. Lea Bros. & Blakenen (E.A) Ltd.
7. Lucubes Ltd.
8. Hoexchst.
9. Muus Kenya Ltd.
10. Pfizer Laboratories Ltd.
11. Primeal Ltd.
12. Sner-Berry Industries Ltd.
13. Ungo Ltd. Eldoret Feeds Division.
14. Ungo Ltd. Nakuru Feeds Division.
15. Vitamins (E.A) Ltd.

11. Spirits (ISIC No. 3131)

1. Gilbeys East African Ltd.
2. Kenya Distillers Ltd.

12. Beer and Malt Liquor (ISIC No. 3133)

1. Asali Breweries Manufacturers.
2. Kenya Breweries Ltd.
3. Laikipia Beer Hall.
4. Modern Breweries.
5. Nairobi Chibuku Ltd.
6. Njohi Brewery Ltd.

13. Soft Drinks and Carbonated Water (ISIC No. 3134)

1. Aggarwal Bros.
2. Beecham of Kenya Ltd.
3. Cadbury Schweppes Ltd.
4. Coastal Bottlers Ltd.
5. Coca-Cola Africa Ltd.
6. Crystal Soda FActory.
7. Equator Bottlers Ltd.
8. High Lands Mineral Water Co. Ltd.
9. Jeffreys Minerals Ltd.
10. Kenya Ice & Aerated Water Factory.
11. Nairobi Bottlers Ltd.
12. Spark Diamonds Soda Water Factory.

Table I-4 Foreign and Local Companies Engaged in Food and Beverage Processing in Kenya (cont'd)

14. Confectioneries (ISIC No. 3119)

1. Biharilai Confectioners.
2. Dilbahar Hotel.
3. Kenya Peanuts Co. Ltd.
4. Kenya Sweets.
5. Ndoto Ltd.
6. Patco Industries Ltd.
7. Seracoatings Ltd.
8. Thika Confectionery Works.
9. United Sweets Mart.
10. Virani Confectionery Works Ltd.
11. Wringley Co. (E.A) Ltd.

Source: Compiled from Central Bureau of Statistics, Directory of Industries, 1974, 1977; and Kenya Association of Manufacturers, Members List and International Standards of Industries Classification, 1980.

Table I-5a Partial List of Brands of Foods and Beverages Manufactured by Affiliates of Transnational Corporations Based in Kenya

Subsector	Brand Name	Company
Dairy (3112)	Cow & Gate	Cow & Gate Ltd.
	Premium Ostermilk	Glaxo Holdings Ltd.
	Glucolin	
	Farex	
	Ostocalcium	
	Farley's	
	Cofta	
	Multivite	
	Lyons Maid	J. Lyons & Co. Ltd.
	Ideal Milk	Nestle Alimentana SA
	Nespray	
	Lactogen	
	Nan	
	Cerelac	
	Milo	
Fruits and Vegetables (3113)	Kenylon	Brooke Bond Leibig Ltd.
	Delmonte	Delmonte Corporation
	Kengold	
	Tree Top	Unilever Ltd.
	Kol	Marshall Ltd.
	Mua Hills	
	Kwench	Mitchell Cotts Group
	Sunglora	
	Magi soups	Nestle Alimentana
	Knorr soups	CPC Ltd.
Vegetable & animal oils and fats (3115)	Mazola	CPC Ltd.
	Elianto	Elianto Aktien Gessleschaft
	Blue Band Margarine	Unilever Ltd.
	Kimbo Pure White	
	Cooking Fat	
	Cowboy flavoured yellow	
	Eagle-Pure veg. ghee	
	Kimboga	
Grain Mill Products (3115)	Maizena	CPC International
	Skippy	
Confectionery (3119)	Wrigley Spearmint	Wrigley W.M. Jr. Co.
	Juicy Fruit	
	Orbit Spearmint	
	Orbit Peppermint	
	Orbit Fruit	
	Fitgum	
	Big G	

Table I-5. Partial List of Brands of Foods and Beverages Manufactured by Affiliates of Transnational Corporations Based in Kenya (cont'd)

Subsector	Brand Name	Company
Confectionery (3119)	Wrigley Spearmint	Wrigley W.M. Jr. Co.
	Juicy Fruit	
	Orbit Spearmint	
	Orbit Peppermint	
	Orbit Fruit	
	Fitgum	
	Big G	
	Cadbury Cocoa	Cadbury Schweppes Ltd.
	Cadbury Chocolate	
	Bornita	
Miscellaneous Foods (3121)	Aromat (seasoning)	CPC International
	Hellmans (Mayonaisse)	
	Maria (spices & Seasonings)	
	Nescafe (coffee)	Nestle Alimentana SA
	Roikomchuzi mix (flavour aids)	Unilever Ltd.
	Kensalt (table salt)	Salt Manufacturers Kenya Ltd.
Animal Feeds (3122)	Afya Bora	Pfizer Corporation
	Agricare	
Spirits (3131)	Gilbeys (gin)	Grand Metropolitan Ltd.
	Old Tom (gin)	
	Smirnoff (vodka)	
	Richmond	
	3 Barrels	
	Leroux	
	Bardinet (brandy)	
	Beehive (brandy)	
	Squadron (light rum)	
	Lambs (navy rum)	
Soft beverages (3134)	Ribena	Beecham Group Ltd.
	Coca Cola	
	Fanta	
	Sprite	
	Krest	
	Tree Top	Unilever Ltd.

Table I-5a. Partial List of Brands of Foods and Beverages Manufactured by Affiliates of Transnational Corporations Based in Kenya (cont'd)

Subsector	Brand Name	Company
Soft beverage (3134)	Pepsi Cola Tarino Orange Seven-up Bitter Lemon Hi-Spot Lemonade Schwop Tangzwizi Ginger Ale Schweppes Tonic	Cadbun, Scheweppes Ltd.
Bakery products (3117)	Buitoni	IBP-Buitoni Perugina-House of Manji
	Post Post (cornflakes)	General Foods-Pj. Products
(3133)	Guinness	Kenya Breweries Limited Arthur Guinness.

Source: Kenya Association of Manufacturers, Members List and International Standard of Industrial Classification; Central Bureau of Statistics, Directory of Industries; Kenya National Chamber of Commerce and Industry, Directory of Members and Classified Index; and Kenya External Trade Authority, Kenya Export Directory.

Table I-6. Tea Factories Owned by Brooke Bond Kenya Ltd.

1. Chakagaik Factory.
2. Jamji Factory.
3. Kakorech Factory.
4. Kerenga Factory.
5. Kericho Factory.
6. Kimari Factory.
7. Kimugu Factory.
8. Koruma Factory.
9. Tagabi Factory.
10. Tungor Factory.
11. Ikumbi Tea Factory Ltd.[a/]
12. Imenti Tea Factory.[a/]

Source: Central Bureau of Statistics. Directory of Industries.

a/ Brooke Bond does not own the factories but manages them for Kenya Tea Development Authority.

Table I-7. Kenya companies managed by James Finlay and Co. Ltd.

	Company	Food line	Size [a/]
1.	Chinga Tea Factory Co. Ltd.	Tea	C
2.	Chomogonday Tea Factory	"	D
3.	Kebirigo Tea Factory [b/]	"	D
4.	Kitumbe Tea Factory	"	D
5.	Kymulot Tea Factory	"	C
5.	Litein Tea Factory Co. Ltd.	"	C
6.	Nyankoba Tea Factory Co. Ltd.	"	C
7.	Saosa Tea Factory	"	D
8.	Stoik Tea Co. Ltd.	"	D
9.	Tegat Tea Factory Co. Ltd. [b/]	"	D

Source:- Central Bureau of Statistics, Directory of Industries, 1974, pp. 20-30.

a/ Size refers to the number of employees, in which each letter stands for a different range employment groups: B (20-49), C (50-99), D (100-199).

b/ The factory is managed for Kenya Tea Development Authority.

Table I-8

Kenya Companies managed by George Williamson Ltd.,

Company	Food line	Size[a/]
1. Changoi Ltd.	Tea	C
2. Chebut Tea Factory[b/]	"	C
3. Elgon Tea Factory Ltd.	"	B
4. Kaimosi Tea Estates Ltd.	"	C
5. Kangaita Tea Factory Col Ltd.	"	D
6. Karirana Estates Ltd.	"	C
7. Lelsa Tea Estates Ltd.	"	C
8. Tinderet Tea Estates Ltd.	"	...

Source:- As for Table I-7.

a/ Size refers to the number of employees, in which each letter stands for different range employment groups: B (20-49), C (50-99), D (100-199).

b/ The factory is managed for Kenya Tea Development Authority.

Table I-9. Tea Factory Companies owned by the Kenya Tea Development Authority

1. Ragati Tea Factory Company Limited
2. Chinga Tea Factory Company Limited
3. Kangaita Tea Factory Company Limited
4. Kanyanya-ini Tea Factory Company Limited
5. Ikumbi Tea Factory Company Limited
6. Kambaa Tea Factory Company Limited
7. Mataara Tea Factory Company Limited
8. Litein Tea Factory Company Limited
9. Nyankoba Tea Factory Company Limited
10. Nyansiongo Tea Factory Company Limited
11. Githongo Tea Factory Company Limited
12. Thumaita Tea Factory Company Limited
13. Kapkoros Tea Factory Company Limited
14. Kiamokama Tea Factory Company Limited
15. Gathuthi Tea Factory Company Limited
16. Githambo Tea Factory Company Limited
17. Kimunye Tea Fac tory Company Limited
18. Njunu Tea Factory Company Limited
19. Nyamache Tea Factory Comapny Limited
20. Mungania Tea Factory Company Limited
21. Iriaini Tea Factory Company Limited
22. Gatunguru Tea Factory Company Limited
23. Theta Tea Factory Company Limited
24. Kapset Tea Factory Company Limited
25. Sang'anyi Tea Factory Company Limited

Source:- Kenya Tea Development Authority, Annual Report and Accounts, 1978-79. p.21.

Table I-10. Kenya Tea Industry, 1963-80

January to December	Estates		Smallholders		Total Estates/ Small-Holders Hectares	Total Production Estates/Small-Holders Kgs.	Total Exports Kgs	Total Consumption Kgs.
	Planted Hectares	Production Kgs.	Planted Hectares	Production Kgs.				
1963	17,921	17,770,383	3,527	311,980	21,448	18,082,363	15,353,636	2,728,727
1964	18,591	19,615,777	4,471	624,853	23,062	20,240,630	16,422,313	3,820,217
1965	19,327	19,027,163	5,429	796,011	24,756	19,823,174	16,823,174	3,766,235
1966	20,102	23,846,177	7,238	1,572,481	27,340	25,418,658	23,283,084	2,595,637
1967	20,809	20,563,555	9,269	2,248,059	30,078	22,811,614	18,115,977	4,695,637
1968	21,329	26,359,730	12,233	3,402,760	33,562	29,762,490	27,839,247	1,924,243
1969	21,840	30,333,367	14,685	5,777,160	36,525	36,060,527	32,951,963	3,108,564
1970	22,289	33,101,169	17,985	7,976,425	40,274	41,077,594	33,851,055	5,659,318
1971	22,838	28,221,634	20,528	8,068,220	43,366	36,289,854	30,072,656	5,591,416
1972	23,268	40,193,463	26,493	13,129,005	49,763	53,322,469	47,483,857	5,838,612
1973	23,635	41,505,197	31,161	15,072,903	54,796	56,578,100	50,528,200	6,049,900
1974	24,087	37,259,318	34,643	16,180,350	58,735	53,439,668	49,645,800	7,075,987
1975	24,337	38,814,557	37,205	17,915,222	61,542	56,729,779	52,632,500	7,472,129
1976	24,539	40,521.833	41,412	21,462,525	65,951	61,984,459	59,154,300	8,068,210
1977	24,859	55,554,370	43,641	30,737,048	68,500	86,291,418	75,257,865	9,578,493
1978	25,159	58,552,159	46,910	34,821,260	72,069	93,373,419	80,791,032	11,004,360
1979	25,424	61,541,351	48,876	37,633,936	74,300	99,275,287	88,984,528	12,462,391
1980	25,850	55,913,349	50,691	33,980,009	76,541	89,893,358	74,799,000	13,548,788

Source:- Kenya Tea Board.

Table II-1. Zimbabwe Food and Beverage Processing Industry: Net Investment, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	% of all foods and beverages
Meat	2 554	1 671	1 940	4 755	8 618	11 025	2 729	858	545	3 855	27.40
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121(	875	3 369	2 997	2 983	5 251	4 449	4 163	3 159	4 825	3 566	25 30
Fruits and vegetables (3113)	120	100	51	15	166	170	92	128	171	114	0.80
Grain mill products, animal foods (3116, 3122)	32	248	350	919	2 052	1 586	2 719	2 443	3 077	1 492	10.60
Bakery products (3117)	1 102	764	866	301	961	947	498	542	933	768	5.50
Confectionery (3119)	378	194	194	260	270	397	271	259	172	266	1.90
Beer, wine, spirits (3131, 3132, 3133)	1 573	1 610	2 276	1 400	3 955	7 351	3 579	2 738	3 246	3 091	22.00
Soft drinks and carbonate water (3134)	395	379	557	551	1 200	2 034	1 561	617	900	922	6.60
Foods & beverages (3111, 3134)	7 129	8 335	9 341	11 185	22 483	27 959	15 612	10 744	13 859	14 073	100.00
All foods (3111, 3122)	5 061	6 345	6 408	9 234	17 328	18 574	10 472	7 399	9 723	10 061	71.50
All beverages (3131, 3134)	2 068	1 989	2 933	1 951	5 155	9 385	5 140	3 345	4 146	4 012	28.50

Source: Central Statistical Office, Census of Production, 1979.

Table II-2 Zimbabwe Food and Beverage Processing Industry: Employment, 1970-78

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	2 866	3 547	3 716	3 664	3 968	3 994	4 567	5 208	5 806	4 160	16.30
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	4 517	4 719	4 917	5 432	5 704	6 531	6 428	7 000	6 953	5 800	22.80
Fruits and vegetables (3113)	595	1 068	690	923	1 144	920	1 083	972	792	910	3.60
Grain mill products, animal feeds (3116, 3122)	2 849	3 059	3 206	3 616	3 818	4 447	3 947	4 233	4 480	3 739	14.70
Bakery products (3117)	3 478	3 592	3 796	3 896	4 063	3 949	3 830	3 677	3 618	3 767	14.80
Confectionery (3119)	765	873	952	983	1 061	1 098	978	862	906	942	3.70
Beer, wine, spirits (3131, 3132, 3133)	3 411	3 638	4 120	4 090	4 633	4 799	4 708	4 752	4 786	4 327	17.00
Soft drinks and carbonate water (3134)	1 268	1 427	1 515	1 780	1 861	1 993	2 223	2 229	2 099	1 833	7.20
Foods & beverages (3111-3134)	19 749	21 923	23 012	24 384	26 252	27 731	27 854	28 943	29 440	25 478	100.00
All foods (3111-3122)	15 070	16 858	17 277	18 514	19 758	20 939	20 933	21 952	22 555	19 317	75.80
All beverages (3131-3134)	4 679	5 065	5 735	5 870	6 494	6 792	6 931	6 981	6 885	6 160	24.20

Source: As for Table II-1.

Table II-3 Zimbabwe Food and Beverage Processing Industry: Royalties, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	15	10	10	5	-	-	-	8	7		0.70
Dairy, fish, oil, fats, sugar, and misc., foods (3112, 3114, 3115, 3118, 3121)	163	182	203	223	249	429	307	276	285	257	30.00
Fruits and vegetables (3113)	-	11	-	22	8	-	-	-	-	5	0.60
Grain mill products, animal foods (3116, 3122)	1	4	5	4	5	7	11	1	1	5	0.60
Bakery products (3117)	-	-	-	-	-	22	-	-	-	2	0.20
Confectionery (3119)	-	-	-	-	-	-	-	-	-	-	-
Beer, wine, spirits (3131, 3132, 3133)	295	244	312	504	787	825	453	469	1 222	580	67.70
Soft drinks and carbonate water (3134)	-	-	2	4	3	3	3	3	-	2	0.20
Foods & beverages (3111, 3134)	474	452	533	862	1 053	1 286	779	757	1 515	857	100.00
All foods (3111, 3122)	179	207	219	254	262	458	318	285	293	275	32.10
All beverages (3131, 3134)	295	245	314	608	790	828	461	472	1 222	582	68.00

Source: As for Table II-1.

Table II-4 Zimbabwe Food and Beverage Processing Industry: Head Office Charge, 1970-78 ('000 Z$)

Industry Sector (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	-	-	-	-	-	-	-	-	-	-	-
Dairy, fish, oils and fats sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	32	61	62	53	112	121	142	130	43	84	65.10
Fruits and vegetables (3113)	-	-	-	2	-	-	-	-	-	0	0
Grain mill products, animal foods (3116, 3122)	-	-	-	-	-	-	-	-	-	-	-
Bakery products (3117)	11	4	-	-	-	-	-	-	-	2	1.30
Confectionery (3119)	6	19	21	17	25	22	26	27	27	21	16.30
Beer, wine, spirits (3131, 3132, 3133)	-	33	-	-	-	74	70	-	25	22	17.10
Soft drinks and carbonate water (3134)	-	-	-	-	-	-	-	-	-	-	-
Foods & beverages (3111, 3134)	49	117	83	72	137	217	238	157	95	129	100.00
All foods (311, 3122)	49	84	83	72	137	143	168	157	70	107	82.90
All beverages (3131, 3134)	-	38	-	-	-	74	70	-	25	22	17.10

Source: As for Table II-1.

Table II-5. Zimbabwe Food and Beverage Processing Industry: Advertising Expense, 1970-78 ('000 Z$)

Industry Sectors (ISIC)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	71	91	100	122	96	90	141	175	187	118	5.32
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	425	428	366	468	577	513	509	792	811	545	29.08
Fruits and vegetables (3113)	16	39	22	26	37	10	5	7	11	19	1.02
Grain mill products, animal foods (3116, 3122)	173	215	209	239	238	267	205	232	270	228	12.21
Bakery products (3117)	28	48	19	21	17	17	17	21	38	25	1.34
Confectionery (3119)	22	30	31	40	39	25	48	50	50	37	1.48
Beer, wine, spirits (3131, 3132, 3133)	426	155	239	257	438	534	632	509	583	430	23.03
Soft drinks and carbonate water (3134)	210	259	300	316	453	538	638	595	774	465	24.96
Foods & beverages (3111, 3134)	1 372	1 255	1 286	1 479	1 905	1 994	2 195	2 581	2 724	1 867	100.00
All foods (3111, 3122)	736	851	747	906	1 004	922	925	1 277	1 367	971	52.01
All beverages (3131, 3134)	636	414	539	572	901	1 072	1 270	1 304	1 357	896	47.99

Source: As for Table II-1.

Table II-6. Zimbabwe Food and Beverage Processing Industry: Payment for Services, 1970-78

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	814	991	1 223	1 571	2 244	2 471	3 221	3 814	4 715	21 015	12.50
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	2 280	2 383	2 908	3 214	3 870	5 091	4 943	4 959	5 510	35 168	21.00
Fruits and vegetables (3113)	140	246	203	308	223	336	331	218	235	2 211	1.32
Grain mill products, animal foods (3115, 3122)	1 555	1 899	2 342	2 758	2 282	3 237	4 468	4 739	5 732	29 123	17.40
Bakery products (3117)	1 201	1 209	1 255	1 316	1 535	1 724	1 738	1 777	1 983	13 829	8.25
Confectionery (3119)	209	279	337	318	325	379	396	411	443	3 097	1.85
Beer, wine, spirits (3131, 3132, 3133)	3 110	2 734	2 781	3 290	5 119	6 153	6 225	5 597	12 585	48 596	29.00
Soft drinks and carbonate water (3134)	723	1 012	1 018	984	1 712	1 744	2 197	2 430	2 650	14 470	8.50
Foods and beverages (3111, 3134)	10 133	10 753	12 068	13 758	17 411	20 965	23 510	25 045	33 955	157 509	100.00
All foods (3111, 3122)	5 300	7 007	8 269	9 494	10 580	13 068	15 087	15 918	18 720	104 443	62 30
All beverages (3131, 3134)	3 833	3 746	3 799	4 274	5 831	7 897	8 423	9 127	15 235	53 156	37.70

Source: As for Table II-1.

Table II-7 Zimbabwe Food and Beverage Processing Industry: Wages and Salaries, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	2 500	3 133	3 631	4 069	4 487	5 357	6 599	7 716	8 844	5 174	15.80
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	4 341	4 874	5 270	5 955	7 309	9 204	10 561	11 919	13 144	8 064	24.50
Fruits and vegetables (3113)	310	519	431	488	550	700	657	553	553	553	1.70
Grain mill products, animal feeds (3116, 3122)	2 758	3 056	3 338	4 080	4 492	5 394	6 085	6 795	7 807	4 858	14.80
Bakery products (3117)	2 674	2 859	3 145	3 495	4 001	4 463	4 543	4 769	4 978	3 881	11.80
Confectionery (3119)	466	587	635	756	900	992	1 061	1 964	1 117	842	2.60
Beer, wine, spirits (3131, 3132, 3133)	3 748	4 198	4 446	5 261	6 341	7 438	8 736	9 576	10 960	6 745	20.50
Soft drinks and carbonate water (3134)	1 498	1 663	1 911	2 214	2 491	3 138	3 343	4 145	4 007	2 712	8.30
Foods and beverages (3111, 3134)	18 405	21 011	22 807	26 318	30 581	36 596	41 685	46 637	51 510	32 851	100.00
All foods (3111, 3122)	13 159	15 150	16 450	18 843	21 749	26 129	29 506	32 916	36 543	23 393	71.20
All beverages (3131, 3134)	5 246	5 861	6 357	7 475	8 832	10 576	12 079	13 721	14 917	9 457	28.80

Source: As for Table II-1.

Table II-8. Zimbabwe Food and Beverage Processing Industry: Net output, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	5 219	5 133	6 519	8 208	9 432	8 171	16 060	18 162	20 842	10 151	12.80
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	10 402	11 561	13 398	14 825	17 087	22 226	24 500	26 565	29 847	18 935	22.30
Fruits and vegetables (3113)	586	920	1 113	852	925	1 155	1 366	1 227	977	1 015	1.20
Grain mill products, animal foods (3116, 3122)	7 274	7 432	7 887	10 393	10 757	12 081	13 011	17 410	19 096	11 705	13.80
Bakery products (3117)	5 430	6 067	6 270	6 826	7 830	8 215	8 845	9 467	10 134	7 676	9.10
Confectionery (3119)	1 216	1 623	1 766	1 764	2 324	2 380	2 528	2 335	2 632	2 063	2.40
Beer, wine, spirits (3131, 3132, 3133)	16 035	18 301	20 494	22 670	25 158	28 964	30 239	31 466	39 246	25 952	30.60
Soft drinks and carbonate water (3134)	3 318	3 837	4 532	5 135	6 977	7 817	8 468	885	9 943	6 546	7.70
Foods & beverages (3111, 3134)	49 480	54 874	61 979	70 683	81 490	91 009	105 017	115 517	132 717	84 752	100.00
All foods (3111, 3122)	30 127	32 736	36 953	42 378	48 355	54 228	66 310	75 166	83 528	52 253	61.70
All beverages (3131, 3134)	19 353	22 138	25 026	27 805	33 135	36 781	38 707	40 351	49 889	32 498	38.30

Source: As for Table II-1.

Table II-9 Zimbabwe Food and Beverage Processing Industry: Purchases, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	33 771	42 407	56 273	73 742	59 739	74 371	86 398	101 495	98 775	70 775	33.70
Dairy, fish, oils and fats sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	25 773	30 539	31 772	38 501	47 533	54 554	64 879	64 508	71 544	47 856	22.80
Fruits and vegetables (3113)	1 183	1 636	1 510	2 168	2 321	2 647	2 222	2 411	2 384	2 055	1.00
Grain mill products, animal foods (3116, 3122)	32 159	30 772	31 217	38 815	41 898	49 889	50 865	56 750	64 583	44 118	21.00
Bakery products (3117)	12 053	13 364	14 465	15 221	18 273	20 550	21 550	23 570	26 442	18 390	8.77
Confectionnery (3119)	1 893	2 186	2 392	2 805	3 537	3 705	3 501	3 497	3 943	3 073	1.47
Beer, wine, spirits (3131, 3132, 3133)	9 127	10 016	12 365	14 175	16 201	19 198	21 035	22 224	23 654	16 444	7.84
Soft drinks and carbonate water (3134)	4 022	4 487	5 870	5 970	6 942	8 204	8 912	8 961	9 896	7 029	3.35
Foods & beverages (3111, 3134)	120 981	135 407	155 864	191 407	206 659	233 128	259 463	283 425	301 325	299 740	100.00
All foods (3111, 3122)	107 832	120 904	137 629	171 262	183 516	205 726	229 515	252 241	267 776	186 267	88.80
All beverages (3131, 3134)	13 149	14 503	18 235	20 145	23 143	27 402	29 948	31 185	33 550	23 473	11.19

Source: As for Table II-1.

Table II-10 Zimbabwe Food and Beverage Processing Industry: Gross Output, 1970-78 ('000 Z$)

Industry Sectors (ISIC No.)	1970	1971	1972	1973	1974	1975	1976	1977	1978	Annual average	Percent of all foods & beverages
Meat (3111)	38 990	47 540	62 792	81 950	79 171	82 542	102 458	119 657	119 620	81 536	27.07
Dairy, fish, oils and fats, sugar, misc., foods (3112, 3114, 3115, 3118, 3121)	37 175	42 100	45 170	53 325	64 720	76 780	89 379	91 074	101 388	66 790	22.68
Fruits and vegetables (3113)	1 769	2 556	2 623	3 030	3 255	3 802	3 590	3 636	3 362	3 069	1.04
Grain mill products, animal foods (3116, 3122)	39 433	38 204	39 104	49 208	52 655	61 370	63 876	74 173	83 782	55 823	18.96
Bakery products (3117)	17 482	19 431	20 735	22 057	26 108	28 775	30 399	33 037	36 579	26 067	8.85
Confectionery (3119)	3 109	3 809	4 158	4 569	5 961	6 085	6 130	5 831	6 576	5 136	1.74
Beer, wine, spirits (3131, 3132, 3133)	25 162	28 317	32 859	36 845	42 359	48 162	51 275	53 691	62 893	42 396	14.40
Soft drinks and carbonate water (3134)	7 340	8 324	10 402	11 105	13 919	16 021	17 383	17 846	19 841	13 576	4.61
Foods & beverages (3111, 3134)	170 451	190 281	217 843	262 090	288 149	324 137	354 490	398 945	434 041	294 493	100.00
All foods (3111, 3122)	137 959	153 540	174 582	214 140	231 871	259 954	294 832	327 408	351 307	238 521	81.00
All beverages (3131, 3134)	32 502	36 641	43 261	47 950	56 278	64 183	68 658	71 537	82 734	55 972	19.00

Source: As for Table II-1.

Table II-11 External Trade of Zimbabwe in Primary Food Commodities Including Live Animals

	1975			1976		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Live animals	772	380	392	315	138	177
Bulls	150	116	34	50	48	2
Cows calves for breeding	250	42	208	135	27	108
Horses	-	196	(196)	-	47	(47)
Other live animals	167	26	141	76	16	60
Chicks 8 days layer type	'	-	2	-	-	-
Other poultry	203	-	203	54	-	54
Fruits and Vegetables	2 356	664	1 692	1 973	314	1 659
Apples	-	16	(16)	-	8	(8)
Oranges	911	-	911	193	-	193
Grape Fruit	166	-	166	1	-	1
Tangerines and Mandarines	9	-	9	11	-	11
Other fresh fruits & nuts[a/]	195	263	(68)	152	76	76
Dried fruits	-	-	-	-	-	-
Potatoes	168	-	168	226	-	226
Beans	493	195	298	1 023	92	931
Other Leguminous seeds	29	-	29	22	-	22
Hops	-	-	-	-	1	(1)
Other fresh & dry vegetables[b/]	385	190	195	345	137	208
Cereals	47 053	5 281	41 772	21 984	1 691	20 293
Wheat & spelt, unmilled	-	4 374	(4 374)	-	1 177	(1 177)
Maize in the grain	47 011	17	46 994	21 965	1	21 964
Sorghum	11	803	(792)	-	323	(323)
Other cereals in the grain	31	87	(56)	19	190	(171)
Tropical beverage	2 930	84	2 846	7 127	17	7 110
Coffee, raw	2 930	84	2 846	7 127	17	7 110
Total Primary	53 111	6 409	46 702	31 399	2 160	29 239
Total Processed	79 549	8 581	70 968	63 465	5 858	57 607
Total Primary & Processed	132 660	14 990	117 670	94 864	8 018	86 846

Source: As for Table II-1

a/ Excluding oil nuts.
b/ Excluding dehyderated vegetables.

Table II-1 External Trade of Zimbabwe in Primary Food Commodities Including Live Animals (cont'd)

	1977			1978		
	Export	Import	Trade Balance	Export	Import	Trade Balance
Live animals	365	118	247	366	73	293
Bulls	77	20	57	45	25	20
Cows calves for breeding	98	-	98	124	-	124
Horses	-	78	(78)	-	45	(45)
Other live animals	145	20	125	133	3	130
Chicks, 8 days layer types	-	-	-	-	-	-
Other Poultry	45	-	45	64	-	64
Fruits & Vegetables	1 353	312	1 041	1 123	204	919
Apples	-	18	(18)	-	5	(5)
Oranges	217	-	217	359	-	359
Grape fruit	2	-	2	1	-	1
Tangerines & mandarines	12	-	12	4	-	4
Other fresh fruits & nuts[a/]	188	37	151	172	50	122
Dried fruits	-	-	-	-	-	-
Potatoes	160	-	160	115	-	115
Beans	284	100	184	137	43	94
Other leguminous seeds	175	-	175	39	-	39
Hops	-	10	(10)	-	2	(2)
Other fresh & dry vegetables[b/]	315	147	168	298	104	192
Cereals	22 354	188	22 166	25 509	151	25 358
Wheat & spelt, unmilled	-	23	(23)	-	-	-
Maize in the grain	22 186	7	22 179	25 433	-	25 433
Sorghum	-	-	-	-	-	-
Other cereals in the grain	168	158	10	76	151	(75)
Tropical Beverage	8 398	-	8 398	11 567	-	11 567
Coffee, raw	8 398	-	8 398	11 567	-	11 567
Total Primary	32 470	618	31 852	38 565	428	38 137
Total Processed	63 718	5 506	57 212	67 457	5 024	62 433
Total Primary & Processed	96 188	7 124	89 064	106 022	5 452	100 570

Source: As for Table II-1.

a/ Excluding oil nuts.
b/ Excluding dehyderated vegetables.

Table II-1 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1975		
	Export	Import	Trade Balance
Grain Mill products (cont'd)			
Other cereals, milled except wheat flour	10	86	76
Malted barley	-	774	774
Other malt including malt flour	49	-	49
Other cereal preparations	207	43	164
Rice, parboiled	-	151	(151)
Rice not in the husk	-	760	760
Other rice	-	-	-
Sugar	44 261	356	43 905
Raw cane sugar	41 302	-	41 302
Refined cane sugar	2 373	-	2 373
Other sugar	586	158	428
Glucose		198	(198)
Confectionery	211	13	198
Manufactured sweets	73	9	64
Other sugar confec. & sugar preparations	63	1	62
Chocolate	75	-	75
Other chocolated	-	3	(3)
Chocolate slabls sweetened	-	-	-
Miscellaneous Foods, N.E.C.	4 301	1 643	2 658
Other coffee	190	-	190
Coffee: extract, instant, essences	-	13	(13)
Tea	3 740	738	3 002
Cocoa butter	-	183	(183)
Other Cocoa	-	84	(84)
Yeast	179	-	179
Infant foods	-	112	(112)
Other food preparations	192	508	(316)
Food and live animals, N.E.C.	-	5	(5)
Animal Feeds	957	1 199	(242)
Cotton seed oil cake and meal	43	70	(27)
Poultry food	208	-	208
Sugar based stock feeds	19	-	19
Other stock feeds	687	-	687
Other animals food	-	210	(210)
Bran, pollard, sharps, etc.,	-	18	(18)
Ground nut, oil cake and meal	-	22	(22)
Blood meal and meat meal	-	129	(129)
Fish meal	-	750	(750)

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78

	1975		
	Export	Import	Trade Balance
Meat	27 275	454	26 811
Beef, frozen	868	-	868
Beef, Chilled	23 374	-	23 374
Port	582	-	582
Poultry, killed or dressed	156	-	156
Edible offals of animals	559	-	559
Other meat, fresh, frozen or chilled	31	-	31
Bacon, tinned or not	21	-	21
Ham & gammon, tinned or not	16	-	16
Other meat, dried, salted or smoked	3	-	3
Meat extracts	101	-	101
Sausages, salami, black pudding, etc.,	9	-	9
Lamb	-	232	(232)
Sausage casings	-	136	(136)
Canned meat & ohter meat preparations	1 555	96	1 459
Dairy	377	246	131
Milk powders (excluding skimmed)	10	-	10
Other milk & cream	194	5	189
Fresh butter	72	-	72
Cheese	27	-	27
Eggs in any form	74	-	74
Milk, condensed or preserved	-	7	(7)
Skimmed milk powder in bulk	-	207	(207)
Cheese: cheddar & gouda	-	-	-
Other cheese	-	27	(27)
Fruits & Vegetables	318	420	(102)
Fruit juices	147	-	147
Other fruits, preserved & preparations	87	-	87
Dried fruits	-	159	(159)
Preserved fruits & fruit preparations	-	162	(162)
Peas, preserved as vegetables	1	-	1
Other preserved veg. & veg. preparations	83	-	83
Preserved veg. & veg. preparations	-	99	(99)
Fisheries	-	1 546	(1 546)
Fish: fresh, chilled, frozen	-	523	(523)
Fish: salted, dried, smoked	-	791	(791)
Other fish: fresh & simply prepared	-	62	(62)
Canned fish	-	170	(170)
Grain Mill products	1 054	1 814	760
Wheat flour & meal	252	-	252
Other wheat preparations	13	-	13
Maize ground or otherwise prepared	513	-	513

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1978		
	Export	Import	Trade Balance
Meat	33 270	388	32 882
Beef, frozen	4 151	-	4 151
Beef, chilled	24 439	-	24 439
Pork	1 008	-	1 008
Poultry, killed or dressed	125	-	125
Edible, offals of animals	980	-	980
Other meat, fresh, frozen or chilled	142	-	142
Bacon, tinned or not	317	-	317
Ham & gammon, tinned or not	16	-	16
Other meat, dried, salted or smoked	3	-	3
Meat extracts	115	-	115
Sausages, salami, black pudding et,c,	6	-	6
Lamb	-	200	(200)
Sausage casings	-	118	(118)
Canned meat & other meat preparations	1 968	70	1 898
Dairy	610	42	568
Milk powders (excluding skimmed)	192	-	192
Other milk & cream	244	19	225
Fresh butter	40	-	40
Cheese	26	-	26
Eggs in any form	108	-	108
Milk, condensed or preserved	-	9	(9)
Skimmed milk powder in bulk	-	1	(1)
Cheese: cheddar & gouda	-	-	-
Other cheese	-	13	(13)
Fruits & Vegetables	483	274	209
Fruit juices	136	-	136
Other fruits, preserved & preparations	141	-	141
Dried fruits	-	158	(158)
Preserved fruits & fruits & fruit preparations	-	61	(61)
Peas, preserved as vegetables	-	-	-
Other preserved veg. & veg. preparations	156	-	156
Preserved veg. & veg. preparations	-	55	(55)
Fisheries	-	1 346	(1 346)
Fish: fresh, chilled, frozen	-	640	(640)
Fish: salted, dried, smoked	-	605	(605)
Other fish: fresh & simply prepared	-	27	(27)
Caned fish	-	74	(74)
Vegetable & Animal Oils & Fats	182	-	182
Margarine	147	-	147
Margarine & shortening	-	-	-
Compound lard & other veg. fats	35	-	35

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1976		
	Export	Import	Trade Balance
All processed foods	3 223	4 873	58 349
Beverages (3131-3134)	242	984	(742)
Mineral waters (3134)	38	-	38
Other non alcoholic beverages	23	-	23
Beer, ale and stout	151	-	151
Still wines	-	203	(203)
Other distilled alcoholic beverages (3133)	76	(46)	23
Other undistilled alcoholic bev. (3131, 3132)	50	(50)	-
Brandy (3133)	504	(504)	-
Whisky (3133)	151	(151)	-
All Beverages	-	-	-
All processed foods and beverages	63 465	5 858	57 607

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1976		
	Export	Import	Trade Balance
Grain Mill products	1 790	760	1 030
Wheat flour & meal	288	-	288
Other wheat preparations	133	-	133
Maize ground or otherwise prepared	733	-	733
Other cereals, milled except wheat flour	-	35	(35)
Malted barley	-	-	-
Other malt including malt flour	545	-	545
Other cereal preparations	91	37	54
Rice, parboiled	-	69	(69)
Rice not in the husk	-	615	(615)
Other rice	-	4	(4)
Sugar.	21 901	172	21 728
Raw cane sugar	18 879	-	18 879
Refined cane sugar	2 817	-	2 817
Other sugar	195	29	156
Glucose	-	124	(124)
Confectionery	126	5	121
Manufactured sweets	57	4	53
Other sugar confec. & sugar preparation	23	-	23
Chocolate	46	-	46
Other chocolated	-	1	(1)
Chocolate slabls sweetened	-	-	-
Miscellaneous Foods, N.E.C.	3 624	1 241	2 383
Other Coffee	94	-	94
Coffee: extract, instant, essences	-	17	(17)
Tea	3 163	509	2 654
Cocoa butter	-	132	(132)
Other Cocoa	-	89	(89)
Yeast	209	-	209
Infant foods	8	73	(65)
Other food preparations	134	407	(273)
Food and live Animals, N.E.C.	16	14	2
Animal Feeds	(1 257)	665	592
Cotton seed oil cake and meal	138	11	127
Poultry food	103	-	301
Sugar based stock feeds	-	-	-
Other stock feeds	818	-	818
Other animals food	-	113	(113)
Bran, pollard, sharps, etc.	-	6	(6)
Ground nut, oil cake and meal	-	-	-
Blood meal and meat meal	137	(137)	-
Fish meal	398	(398)	-

Table II-11External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1977		
	Export	Import	Trade Balance
Meat	36 615	372	36 245
Beef, frozen	4 008	-	4 008
Beef, chilled	27 806	-	27 806
Pork	1 379	-	1 379
Poultry, killed ror dressed	177	-	177
Edible offals of animals	860	-	860
Other meat, fresh, frozen or chilled	123	-	123
Bacon, tined or not	127	-	127
Ham, & gammon, tinned or not	-	-	-
Other meat, dried, salted or smoked	-	-	-
Meat extracts	147	-	147
Sausages, salami, black pudding etc.,	1	-	1
Lamb	-	244	(244)
Sausage casings	-	106	(106)
Canned meat & other meat preparations	1 987	22	1 965
Dairy	851	49	802
Milk powders (excluding skimmed)	53	-	53
Other milk & cream	393	36	357
Fresh butter	176	-	176
Cheese	70	-	70
Eggs in any form	159	-	159
Milk, condensed for preserved	-	7	(7)
Skimmed milk power in bulk	-	-	-
Cheese: Cheddar & gouda	-	-	-
Other cheese	-	6	(6)
Fruits & Vegetables	427	375	52
Fruit juices	199	-	199
Other fruits, preserved & preparations	133	-	133
Dried fruits	-	168	(168)
Preserved fruits & fruit preparations	-	152	(152)
Peas, preserved as vegetables	-	-	-
Other preserved vg. & veg. preparations	95	-	95
Preserved veg. & veg. Preparations	-	55	(55)
Fisheries	-	1 474	1 474
Fish: fresh, chilled, frozen	-	738	(738)
Fish: salted, dried, smoked	-	919	(919)
Other fish: fresh & simply prepared	-	11	(11)
Caned fish	-	106	(106)
Vegetable & Animal Oils & Fats	317	-	317
Margarine	292	-	292
Margarine & shortening	-	-	-
Compound lard & other veg. fats	25	-	25
Grain Mill products	4 007	1 762	2 245
Wheat flour & meat	349	-	349
Other wheat preparations	109	-	109
Maize ground or otherwise prepared	354	-	354
Other cereals, milled except wheat flour		62	(62)
Malted barley	923	-	923
Other malt including malt flour	2 221	-	2 221

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1977		
	Export	Import	Trade Balance
Other cereal preparations	51	42	9
Rice, parboiled	-	246	(246)
Rice not in the husk	-	1 348	1 348
Other rice	-	64	(64)
Sugar	13 287	140	13 147
Raw cane sugar	8 805	-	8 805
Refined cane sugar	4 066	-	4 066
Other sugar	416	19	397
Glucose	-	121	(121)
Confectionery	108	13	95
Manufactured sweets	84	12	72
Other sugar confec. & sugar preparations	8	-	8
Chocolate	16	-	16
Other chocolated	-	1	(1)
Chocolate slabls sweetened	-	-	-
Miscellaneous Foods, N.E.C.	5 875	880	4 995
Other Coffee	170	-	170
Coffee: extract, instant essences	-	14	(14)
Tea	5 299	353	4 946
Cocoa butter	-	125	(125)
Other cocoa	-	121	(121)
Yeast	233	-	(233)
Infant foods	-	87	(87)
Other food preparations	166	174	(8)
Food and live Animals, NEC	7	6	1
Animal Feeds	2 093	533	1 560
Cotton seed oil cake and meal	-	-	18
Poultry food	73	-	73
Sugar based stock feeds	-	-	-
Other stock feeds	2 020	-	2 020
Other animals food	-	84	(84)
Brna, pollard, sharps, etc,	-	-	-
Ground nut, oil cake and meal	-	-	-
Blood meal and meat meal	-	-	-
Fish meal	-	449	(449)
All processed foods	63 580	5 598	57 982
Beverages (3131-3134)	138	908	770
Mineral waters (3134)	13	-	13
Other non alcoholic beverages	20	-	20
Beer, ale and stout	82	-	82
Still wines	-	143	(143)
Other distilled alcoholic beverages (3133)	23	72	(49)
Other undistilled alcoholic bev. (3131-3132)	-	42	(42)
Brandy (3133)	-	402	(402)
Whisky (3133)	-	249	(249)
All Beverages	-	-	-
All processed foods and beverages	63 718	6 506	57 212

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1978		
	Export	Import	Trade Balance
Meat	37 275	439	36 836
Beef, frozen	19 175	-	19 175
Beef, chilled	12 755	-	12 755
Pork	926	-	926
Poultry, killed or dressed	117	-	117
Edible offals of animals	1 504	-	1 504
Other meat, fresh, frozen or chilled	79	-	79
Bacon, tinned or not	74	-	74
Ham & gammon, tinned or not	-	-	-
Other meat, dried, salted or smoked	2	-	2
Meat extracts	183	-	183
Sausages, salami, black pudding, etc.,	24	-	24
Lamb	-	298	(298)
Sausage casing	-	106	(106)
Canned meat & other meat preparations	2 436	35	2 401
Dairy	1 611	150	1 461
Milk powders (excluding skimmed)	97	-	97
Other milk & cream	824	82	742
Fresh butter	90	-	90
Cheese	449	-	449
Egg in any form	151	-	151
Milk, condensed or preserved	-	5	(5)
Skimmed milk powder in bulk	-	58	-
Cheese: cheddar & gouda	-	-	-
Other cheese	-	5	(5)
Fruits & Vegetables	663	411	252
Fruit juices	254	-	254
Other fruits, preserved & preparations	196	-	196
Dried fruits	-	151	(151)
Preserved fruits & fruit preparations	-	196	(196)
Peas, preserved as vegetables	1	-	1
Other preserved veg. & veg. preparations	212	-	212
Preserved veg. & veg. preparations	-	64	(64)
	-	978	(978)
Fisheries	-	498	(498)
Fish: fresh, chilled, frozen	-	341	(341)
Fish: salted, dried, smoked	-	5	(5)
Other fish: fresh & simply prepared	-	134	(134)
Caned fish			
Vegetable & Animal Oils & Fats	450	-	450
Margarine	380	-	380
Margarine & shortening	1	-	1
Compound lard & other veg. fats	69	-	69
Grain Mill products	3 634	683	2 951
Wheat flour & meal	217	-	217
Other wheat preparations	-	-	-
Maize ground or otherwise prepared	491	-	491
Other cereals, milled except wheat flour	-	20	(20)
Malted barley	2 825	-	2 825

Table II-11 External Trade of Zimbabwe in Processed Foods and Beverages, 1975-78 (cont'd)

	1978		
	Export	Import	Trade Balance
Other malt including malt flour	40	-	40
Other cereal preparations	61	27	34
Rice, parboiled	-	-	-
Rice not in the husk	-	636	(636)
Other rice	-	-	-
Sugar	11 107	144	10 963
Raw cane sugar	7 369	-	7 369
Refined cane sugar	3 521	-	3 521
Other sugar	217	24	193
Glucose	-	120	(120)
Confectionery	191	10	181
Manufactured sweets	145	9	136
Other sugar confec. & sugar preparations	10	-	10
Chocolate	36	-	36
Other chocolated	-	1	(1)
Chocolate slabls sweetened	-	-	-
Miscellaneous Foods, N.E.C.	8 480	700	7 780
Other coffee	45	4	45
Coffee: extract, instant, essences	-	2	(2)
Tea	7 975	120	(7 855)
Cocoa butter	-	106	(106)
Other Cocoa	-	91	(91)
Yeast	263	-	263
Infant foods	4	103	(99)
Other food preparations	172	256	(84)
Food and live Animals, N.E.C.	21	18	3
Animal Feeds	3 819	494	3 325
Cottonseed oil cake and meal	-	18	199
Poultry food	212	-	212
Sugar based stock feeds	2	-	2
Other stock feeds	3 587	-	3 587
Other animals food	-	83	(83)
Bran, pollard, sharps, etc.	-	-	(2)
Ground nut, oil cake and meal	-	-	-
Blood meal and meat meal	-	-	-
Fish meal	-	409	(409)
All processed foods	67 230	4 009	63 221
Beverages (313-3134)	227	1 015	788
Mineral waters (3134)	7	-	7
Other non alcoholic beverages	15	-	15
Beer, ale and stout	95	-	95
Still wines	-	113	(113)
Other distilled alcoholic beverages (3133)	110	75	(35)
Other undistilled alcoholic bev. (3131-3132)	-	23	(23)
Brandy (3133)	-	527	(527)
Whisky (3133)	-	277	(277)
All Beverages	-	-	-
All processed foods and beverages	67 457	5 024	62 433

Table II-12. Foreign and local companies engaged in food and beverage processing in Zimbabwe

MEAT (ISIC NO.3111)

1. Colcom Central Co. Operative Ltd.
2. Cold Storage Commission of Rhod
3. Grills Butchery (Pvt.) Ltd.
4. Gibbs Manufacturers (Pvt.) Ltd.
5. Gourmet Fine Foods (Pvt.) Ltd.
6. Grins Butchery (Pvt.) Ltd.
7. Impolo Ranchins & Cannins Co. (Pvt.) Ltd.
8. Impenid Cold Storage & Supply Co. Ltd.
9. Liebig's Ltd.
10. Super Canners (Pvt.) Ltd.
11. S & T Import & Export (Pvt.) Ltd.

DAIRY (ISIC NO.3112)

1. Dairy Marketing Board
2. Dairy Den (Pvt.) Ltd.
3. Food Specialities (Pvt.) Ltd.
4. Lyons Brooks Band (Pvt.) Ltd.
5. Lever Brothers (Pvt.) Ltd.
6. Milborrow & Co. (Rhod) (Pvt.) Ltd.
7. S & T Import & Export (Pvt.) Ltd.

FRUITS & VEGETABLE (ISIC NO.3113)

1. African Distrillers Ltd.
2. African Wines & Juics (Pvt.) Ltd.
3. Associated Industries (Pvt.) Ltd.
4. Boreder Stream Products (Pvt.) Ltd.
5. Chipoli Section "J" Shamva
6. Caps (Pvt.) Ltd.
7. Caro lina Enterprises (Pvt.) Ltd.

Table II-12 (Contd.)

8. Coldrac Products (Pvt.) Ltd.
9. Froco Productions (Pvt.) Ltd.
10. Food Specialities (Pvt.) Ltd.
11. Gibbs Manufacturers (Pvt.) Ltd.
12. Gourmet Fine Foods (Pvt.) Ltd.
13. Hind Bros (Pvt.) Ltd.
14. Lever Bros (Pvt.) Ltd.
15. Lyons Brooks Band (Pvt.) Ltd.
16. Lie Big's Ltd.
17. La Rochelle Foods (Pvt.) Ltd.
18. Lyndin Food (Pvt.) Ltd.
19. Lan Caster Industrials (Pvt.) Ltd.
20. Lever Brothers (Pvt.) Ltd.
21. Mazoe Citrus Estates
22. National Canners Ltd.
23. Nutritional Research & Food
24. Pool Quip Rhodesia (Pvt.) Ltd.
25. Reakih & Colman (Pvt.) Ltd.
26. Schweppes (C.A.) Ltd.
27. Tavern mineral (Pvt.) Ltd.
28. Tanrose (Pvt.) Ltd.
29. Vine Brand Products
30. Wrights (Pvt.) Ltd.

FISHERIE (ISIC NO. 3114)

1. Grin's Butchery (Pvt.) Ltd.
2. Gourmet Fine Foods (Pvt.) Ltd.

Table II-12 OIL FATS (ISIC NO. 3115) (contd.)

1. Lever Brothers (Pvt.) Ltd.
2. National Foods Ltd.
3. Olivin Industries Co. (Pvt.) Ltd.
4. United Refineries Division Repcor Ltd.

CEREALS MILLING (ISIC 3116)

1. Food Specialities (Pvt.) Ltd.
2. Hind Bros (Rhod) Ltd.
3. Impala Mill
4. Midlonds Millins Co. (Pvt.) Ltd.
5. National Foods Ltd.
6. Nutritional Research & Food Product (Nutresco)
7. Reckeitt & Colman (Pvt.) Ltd.
8. United Refineries Division
9. Wightman & Co. (Pvt.) Ltd.
10. Willards Food Core (Pvt.) Ltd.

BAKERY PRODUCTS (ISIC 3117)

1. Arsme Bakery
2. Cobban's Bakery
3. Iries Mntg. Co. (Pvt.)
4. Kontor Bakery (Pvt.) Ltd.
5. Lobel Brothers (BYO) Pvt. Ltd.
6. Lobel Brothers (SBY) Pvt. Ltd.
7. Kebena (Pvt.) Ltd.
8. Tanrose (Pvt.) Ltd.
9. Universon Macoroni Factory (Pvt.) Ltd.

Table II-12 (contd.) SUGAR (ISIC NO. 3118)

1. Hippo Velley
2. Triauyle Estate
3. Tetehy
4. Zimbaw Sugar Retinery

CONFECTIONERY (ISIC NO. 3119)

1. Arenel (Pvt.) Ltd.
2. Charon's
3. Food Spectialities (Pvt.) Ltd.
4. Lever Brother's (Pvt.) Ltd.
5. Loncaster Industrials (Pvt.) Ltd.
6. N.V.M. Sweets Successors (Pvt.) Ltd.
7. Rosmans
8. Schweppes
9. Willards Food Corp. (Pvt.) Ltd.

TROPICAL BEVERAGES & SPICES (ISIC NO. 3121) COFFEE

1. African Distillers Ltd.
2. Capital Tea & Coffee Co. (C.A.) Pvt. Ltd.
3. Food Specialities (Pvt.) Ltd.
4. Glenton & Mitchell (Pvt.) Ltd.
5. Lyons Brooke Bond (Pvt.) Ltd.
6. Tanrose (Pvt.) Ltd.
7. Willards Food Co. (Pvt.) Ltd.

Table II-12 (contd.)

TEA

1. Capital Tea & Coffee Co. (Pvt.) Ltd.
2. Eastern High Lands Tea & States (Pvt.) Ltd.
3. Glenton & Mitchell (Pvt.) Ltd.
4. Lyons Brooke Bond (Pvt.) Ltd.
5. Lyons Brooke Bond (Rhod) Pvt. Ltd.
6. Planters Tea Agency (Pvt.) Ltd.
7. Tanrose (Pvt.) Ltd.

MISCELLANLAUS FOOD'S N.E.C.

1. Capital Tea & Coffee Company (C.A.) (Pvt.) Ltd.
2. Food Specialities (Pvt.) Ltd.
3. Hind Bros (RHOD) Ltd.
4. National Product (Pvt.) Ltd.
5. National Spice Works (Pvt.) Ltd.
6. Reckitt & Colmun (Pvt.) Ltd.
7. Tanrose
8. Vip Stores (Pvt.) Ltd.

PREPARED ANIMAL FEEDS (ISIC NO. 3122)

1. Beckitt & Colmun (Pvt.) Ltd.
2. Cooper Aumbabwe Rhodesia Ltd.
3. Cold Storage Commission of Rhod
4. Former Co.Op. Ltd.
5. Label Brothers (Byo) (Pvt.) Ltd.
6. Matebele Land Farmers Co.Op. Ltd.

Table II-12 (contd.)

7. National Foods Ltd.
8. Nutritional Research Food Product (Pvt.) Ltd. (NUTRESCO)
9. Runveite
10. Super Canners (Pvt.) Ltd.
11. Wrights (Pvt.) Ltd.
12. Wright man & Co. (Pvt.) Ltd.
13. Wrights (Pvt.) Ltd.

SPIRITS (ISIC NO. 3131)

1. African Distillers (Ltd.)
2. Amberley & Estate (Pvt.) Ltd.
3. Manis Wineries (Pvt.) Ltd.

WINES (ISIC NO. 3132)

1. African Wines & Juice (Pvt.) Ltd.
2. African Distillers Ltd.
3. Monis Wineries (Pvt.) Ltd.
4. Ruturo Brewery
5. Worringhon Wine Yards (Pvt.) Ltd.

BEER & MALT (ISIC NO. 3133)

1. Bulowayo Municipol Brewery
2. Chibukee Breweries (Pvt.) Ltd.
3. Gwelo Municipality African Brewery
4. National Breweries Ltd.
5. Ruforo Brewery

Table II-12 (contd.)

SOFT DRINKS (ISIC NO. 3134)

1. Bulowayo Bottlers (Pvt.) Ltd.
2. Rulawayo Bottlers (Pvt.) Ltd.
3. Salisbry Bottlers Co. (Pvt.) Ltd.
4. Schweppes (C.A.) Ltd.
5. Victoria Bottlers (Pvt.) Ltd.
6. Vmtalia Bottlers (Pvt.) Ltd.

Source: As for Table II-1.

Table II-13. Brands of foods and beverages manufactured by affiliates of transnational corporations based in Zimbabwe

Sub-sector		Brand	Company
Meat (3111)	1	Fray bentos	Liebig (Rhodesia) Ltd.
	2	Leox	"
	3	Oxe	"
Dairy (3112)	4	Cerelac	Food Specialities (Pvt.) Ltd.
	5	Every day	"
	6	Ideal	"
	7	Lactogen	"
	8	Neslac	"
	9	Nspray	"
	10	Nestle	"
Fruits & vegetables (3113)	11	Melrose	Lever Brothers (Pvt.) Ltd.
	12	Nivea	"
	13	Lyons maid	Lyons Brooke Bond (Pvt.) Ltd.
	14	Lyons Yoghi	"
	15	All gold	National Canners (Pvt.) Ltd.
	16	Mrs. Balls	"
	17	Silverleaf	"
	18	Sun	"
	19	Bezant	Mazoe Citrus Estates
	20	Tom thumb	"
	21	Birds eye	Lever Brother (Pvt.) Ltd.
	22	Foyco	"
	23	Bezant	Schwepees (Central) Africa Ltd.
	24	Vegex	Liebig (Rhodesia) Ltd.
	25	Tomango	Tanrose (Pvt.) Ltd.
	26	Sunfresh	Lyons Brooke Bond (Pvt.) Ltd.
Animal and vegetable oils and fats (3115)	27	Covo	Lever Brothers (Pvt.) Ltd.
	28	Express	Le "
	29	Holsum	"
	30	Kernola	"
	31	Kernolex	"
	32	Lotus	"
	33	Marvello	"
	34	Planto	"
	35	Pastrex	"
	36	Solite	"
	37	Solo	"
	38	Steepdil 33	"
	39	Steepdil 38	"
	40	Stork	"
	41	Sunol	"
	42	Conrnol	"

Table II-13 (contd.)

Sub-sector		Brand	Company
	43	Atlas	National Foods Ltd.
	44	Proveena	"
Grain mill products (3116)	45	Sunglow	Whightman & Co. (Pvt.) Ltd.
	46	Superfine	"
	47	Blue seal	National Foods Ltd.
	48	Red seal	"
	49	Gloria	"
	50	Kwikee	"
	51	Golden morn	Food specialities (Pvt.) Ltd.
Bakery products (3117)	52	Nstum	"
	53	Climax	Lever Brothers (Pvt.) Ltd.
	54	Craka wheat	Wightman & Co. (Pvt.) Ltd.
	55	Rice - mix	Rickett & Coleman (Rhodesia) Ltd.
Sugar (3118)	56	Gold star	Rhodesia Sugar Refineries Ltd.
Confectionery (3119)	57	Schweppes	Schweppes (Central Africa) Ltd.
	58	Bev.	Lyons Brooke Bond (Pvt.) Ltd.
	59	Daybreak	"
	60	La corona	"
	61	Lyons economy	"
	62	Lyons french	"
	63	Lyons purex	"
	64	Lyons roast	"
Tropical beverages (3121)	65	Mayfaire	"
coffee	66	Montivista	"
	67	Preema	"
	68	Preem French	"
	69	Zimba buck	"
	70	Ricory	Food Specialities (Pvt.) Ltd.
	71	Ellis brown	Tanrose (Pvt.) Ltd.
	72	Koffiehuis	"
	73	Mocoona	"
	74	Bond Economy	Lyons Brooke Bond (Pvt.) Ltd.
	75	Caterers blend	"
	76	Garden Blend	"
	77	Hotel de luxe	"
Tea	78	Inyanga	"
	79	Lyons green label	"
	80	Lyons quick brew	"
	81	Pulverised	"
	82	Masmba	"

Table II-13 (contd.)

Sub-sector		Brand	Company
	83	Roma	Lyons Brooke Bond (Pvt.) Ltd.
	84	Tetley	"
	85	Five roses	Tanrose (Pvt.) Ltd.
	86	Fresh pack	"
	87	Leopard	"
Tea	88	Quickletts	"
	89	Stella	"
	90	Taganda	"
	91	Tudor	"
	92	Luleche	Eastern Highlands Tea Estates (Pvt.) Ltd.
	93	Wamba	"
	94	Zindi	"
	95	Busy bee (honey)	Lyons Brooke Bond (Pvt.) Ltd.
	96	Garn brae (mushrooms)	"
	97	Lyons farm house (sauce)	"
	98	Lyons Melba (sauce)	"
	99	Rab roy (condiments)	"
	100	A-1 Sauce (sauce)	Tanrose (Pvt.) Ltd.
Mis. Foods, N.E.C. (3121)	101	Bisto (gravy Poweder)	"
	102	Cerebos (salt, bread crumbs)	"
	103	Mrs. Adkins (chutneys mayonnaise)	"
	104	Paxo (chicken stuffing)	"
	105	Tambala (nutproduct)	"
	106	Coleman's (mustard)	Rickett & Coleman (Rhodesia) Ltd.
	107	Holebrook's (sauce)	"
	108	Purity (baby food)	"
	109	Milo (health beverage)	Food specialities (Pvt.) Ltd.
	110	Wesquick (choc. drink)	"
	111	Catz-d-lite	Rickett & Coleman (Rhodesia) Ltd.
	112	Petz-d-lite	"
	113	Bow wow	National Foods Ltd.
Animal Feeds (3122)	114	NF	"
	115	Rhomil	"
	116	Sleekies	"
	117	Lebex	Liebig (Rhodesia) Ltd.
	118	Vitality	Whightman & Co. (Pvt.) Ltd.

Table II-13 (contd.)

Sub-sector		Brand	Company
Spirits (3131)	119	Bardine Napoleon	African Distillers Ltd.
	120	Bengal	"
	121	Bertrams vsop	"
	122	Bols	"
	123	Booths High & Dry	"
	124	Caribeanc	"
	125	Chateau	"
	126	Contessa sherry Liquer	"
	127	Contessa Creme de Menthe	"
	128	Contessa Kummel	"
	129	Contessa Marnique	"
	130	Contessa Mint Chocalate	"
	131	Contessa Mocha tia	"
	132	Czarina	"
	133	Don Juan Golden Cream	"
	134	Don Juan old Brown	"
	135	Dum Barton	"
	136	Gilberts Ginger Liquer	"
	137	Gilberts Special Dry	"
	138	Gilberts No. 1 cup	"
	139	Gilbeys London Dry	"
	140	Giengarry	"
	141	Gold Blend	"
	142	Hellas Ouzo	"
	143	Island	"
	144	Limosin	"
	145	Loch Mist	"
	146	Mainstay	"
	147	Martwi Bianco	"
	148	Martini Extra Dry	"
	149	Martini Rosso	"
	150	Melody	"
	151	Montello Jeripege	"
	152	Montello Amontillado	"
	153	Montello Full Cream	"
	154	Montello Medium Cream	"
	155	Montello Pale Dry	"
	156	Montello Walnut Brown	"
	157	Montezuma Tequila	"
	158	Old Chateau	"

Table II-13 (contd.)

Sub-sector		Brand	Company
Spirits (3131)	159	Oude Meester	African Distillers Ltd.
	160	Regency Anisette	"
	161	Regency Tripple Sec	"
	162	Regency Van der Hum	"
	163	Rum Cari-Beane Silver	"
	164	Santys 5 Star	"
	165	Sidgwicks Peppermint	"
	166	Smirnoff	"
Wine (3132)	167	Baby Duckling	African Distillers Ltd.
	168	Barameda	"
	169	Baramedia Amorose	"
	170	Baramedia Olorose	"
	171	Chateau Marche Sur Gue	"
	172	Coach House (Cider)	"
	173	Cola can	"
	174	Gerac Crackling	"
	175	Gerac Dry Red	"
	176	Gerac Rose	"
	177	Gerac Selected	"
	178	Gerac Semi sweet	"
	179	Gerac Stein	"
	180	Gold Crown	"
	181	King Cola	"
	182	La Rochelle Velvedere	"
	183	La Rochelle Chatelet	"
	184	La Rochelle Late Harvest	"
	185	La Rochelle Tourelle	"
	186	Le Grand Charlemagne Brut	"
	187	Le Grand Charlemagne Rose	"
	188	Le Grand Charlemagne vinc sec	"
	189	Malta Bella	"
	190	Palarmo Marsala	"
	191	Pollegrini Bitters	"
	192	Red Muscadel	"
	193	St. Crispin Ruby Macmsey	"
	194	Temple Bar	"
	195	White inuscadel	"
	196	Wild apple	"
	197	Wild Duck	"

Table II-13 (contd.)

Sub-sector		Brand	Company
Beer (3133)	198	Carline Black Label	National Breweries
	199	Castle Lager	"
	200	Lion Lager	"
Soft Drinks & Mineral water (3134)	201	Chibuku	Heinrich's Chibuku Breweries
	202	Mahewu	"
	203	Power	"
	204	Prota	"
	205	Shake Shake	"
	206	Umtetu	"
	207	Canada Dry	Schweppls (Central Africa) Ltd.
	208	Coca Cola	"
	209	Club	"
	210	Fanta	"
	211	King Freezits	"
	212	Krest	"
	213	Mazoe	"
	214	Pepsi	"
	215	Schweppes	"
	216	Sparleta	"
	217	Webb's Indian Tonic	"

Source: As for Table II-1.

Table III-1. Structure of agricultural and industrial sectors of Sudanese economy, 1978

(LS '000)

	Agriculture				Mining & Quarrying	Manufacturing	Building and Construct.	Industry b/	Total Economy	Food, Beverages and Tobacco			Other Manufact.
	Crops	Livestock	Fishing	Total a/						Factory	Home	Total	
Gross output	582 259	669 336	9 345	1 260 940	2 623	578 064	256 803	837 490	3 618 349	212 805	29 526	242 311	335 753
Intermediate Consumption	131 582	117 134	1 402	250 118	943	362 932	138 164	502 039	1 170 740	142 260	13 582	155 842	207 090
Goods	49 780	26 773	327	76 880	786	311 800	120 086	432 672	689 796	124 952	10 836	135 788	176 012
Services	81 802	90 361	1 075	173 238	157	51 132	18 078	69 367	480 944	17 308	2 746	20 054	31 078
Gross Domestic Product	450 677	552 202	7 943	1 010 822	1 680	215 132	118 639	335 451	2 447 609	70 545	15 944	86 489	128 643
Indirect taxes less subsidies	5 823	3 347	56	9 226	31	67 622	664	68 317	160 513	29 627	118	29 745	37 877
Gross Domestic Product	444 854	548 855	7 887	1 001 596	1 649	147 510	117 975	267 134	2 287 096	40 918	15 826	56 744	90 766
Depreciation	49 113	16 733	579	66 425	61	18 614	284	18 959	236 681	8 470	591	9 061	9 553
Net Domestic Product	395 741	532 122	7 308	935 171	1 588	128 896	117 691	248 175	2 050 415	32 448	15 235	47 683	81 213
Wage & Salaries	127 035	267 734	5 523	400 292	1 076	59 807	91 618	152 501	1 017 826	15 321	2 510	17 831	41 976
Operating Surplus	268 706	264 388	1 785	534 879	512	69 089	26 073	95 674	1 032 589	17 127	12 725	29 852	39 237

Source: Department of Statistics, National Income: Accounts and Supporting Tables, 1978.

a/ Exluding forestry and hunting

b/ Sum of mining and quarrying, manufacturing and construction.

Table III.2 Internal Structure of Agricultural and Industrial Sectors of Sudanese Economy, 1978

	Agriculture				Mining & Quarrying	Manufacturing					Building & Construction	
						Food, Beverage and Tobacco			Other Manufacturing Goods			
	Crops	Livestock	Fishing	Total		Factory	Industry	Total		Total		
Gross Profit	100	100	100	100		100	100	100	100	100	100	100
Intermediate Consumption	22.60	17.50	15.00	19.84	35.95	62.78	53.80	59.94	32.35	66.84	46.0	64.31
Goods	8.55	4.00	3.50	6.10	29.96	53.93	46.76	51.66	19.06	58.71	36.69	56.03
Services	14.05	13.50	11.50	13.74	6.00	8.14	7.04	8.28	13.29	8.13	9.30	8.27
Gross Domestic Product	77.40	82.50	85.00	80.16	64.04	37.21	46.19	40.05	67.64	33.15	54.00	35.69
Indirect taxes less subsidies	1.00	0.50	0.60	0.73	1.18	11.69	0.25	8.15	4.43	13.92	0.40	12.27
Gross Domestic Products	76.40	82.00	84.40	79.43	62.86	25.51	45.93	31.90	63.20	19.22	53.60	23.41
Depreciation	8.43	2.45	6.20	5.27	2.32	3.22	0.11	2.26	6.54	3.98	2.00	3.73
Net Domestic Product	67.97	79.50	78.20	74.16	60.54	22.29	45.82	29.64	56.65	15.24	51.59	19.67
Wages and Salaries	21.82	40.00	59.10	31.74	41.02	10.34	35.67	18.20	28.12	7.19	8.50	7.35
Operating Surplus	46.15	39.50	19.10	42.42	19.52	11.95	10.15	11.42	28.53	8.04	43.09	12.31

Source: As for Table III.1.

Table XLII.3 Principal Food Commodities Exported from Sudan, 1970-79

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Cattle	800	800	600	700	1700	100	100	1400	1100	1700
Sheep, lambs	1500	1200	1600	2200	400	1000	400	3800	7000	8000
Meat, fresh	-	100	1200	4400	3800	100	-	800	200	-
Dura	160	1100	1700	3000	4800	2300	4000	6000	3400	17300
Karkadeh	900	300	800	700	500	300	900	800	1000	2200
Sesame Seed cake	500	400	600	1800	300	1000	1800	1700	1500	1700
Ground-nuts cake	1000	700	1400	2500	1400	900	1000	2900	4200	7100
Groundnuts	5500	9300	9200	13000	24500	34500	42000	28300	20500	13000
Sesame	6700	8000	8800	10900	21100	12200	19000	22000	17600	7100
Gum arebic	9000	8400	9100	7800	14300	7200	11200	13300	12000	20300
Vegetable oils	800	4500	4300	1900	1500	4700	800	3400	6500	5600
Haricot beans (fasalia)	200	100	100	500	800	500	1200	400	500	100
Bran pollord sharps	500	400	300	300	200	100	400	300	100	200
Total Food Export	27500	26500	39700	49700	75300	64900	82800	85100	74600	84300
Total Export	101600	114400	124500	143500	152800	147600	199500	223300	183100	252800
Total Import	108300	123700	123100	166900	246200	348300	355900	378800	374800	458500

Source: Department of Statistics, Sudan Foreign Trade Analysis, 1970-79

Table III.4 Structure of principal exports from Sudan, 1974-78

	1974		1975		1976		1977		1978	
	Amount LS	Percent	Amount LS	Percent	Amount LS	Percent	Amount LS	Percent	Amount LS	Percent
Food Crops	53300000	43.62	56000000	36.75	70700000	36.63	65000000	28.24	55100000	27.39
Groundnuts	18200000	14.89	34400000	22.57	39000000	20.20	28200000	12.25	20000000	9.89
Sesame	16500000	13.50	11900000	7.81	17300000	8.96	18500000	8.04	18200000	9.00
Gum Arabic	14200000	11.62	7500000	4.92	11200000	5.80	13500000	5.86	14800000	7.32
Dura	4400000	3.60	2200000	1.44	3200000	1.66	4800000	2.09	2400000	1.19
Industrial Crops	43600000	35.68	70200000	46.06						
Cotton	43300000	35.43	70200000	46.06	97800000	50.67	131600000	59.08	104900000	51.85
Cotton seeds	300000	0.25	-	-	-	-	-	-	-	-
Leather	3800000	3.11	3200000	2.10	3700000	1.92	4400000	1.91	3900000	1.93
Others	21500000	17.59	23000000	15.09	20800000	10.78	8800000	3.82	37100000	18.34
Total	122200000	100.00	152400000	100.00	193000000	100.00	230200000	100.00	202300000	100.00

Source: Ministry of Finance and National Economy, Economic Survey, 1978/79, p. 145.

Table III.5 Principal food imports of Sudan, 1970-79

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Wheat, unmilled	4 600	4 700	4 900	8 300	7 100	7 900	7 300	6 000	8 100	18 100
Rice	600	500	500	800	1 600	-	100	200	300	1 500
Wheat flour	700	200	200	-	900	200	100	500	600	1 800
Sugar	5 100	9 200	9 700	18 300	29 800	38 300	21 200	12 200	22 500	28 100
Coffee	1 900	1 600	1 900	2 000	3 700	2 400	3 000	4 200	200	1 700
Tea	5 000	4 000	6 100	5 300	5 900	4 300	4 000	7 300	17 700	6 200
Cigarettes	1 100	1 300	1 800	1 500	2 000	3 400	4 600	5 100	4 300	1 800
Total	108 300	123 700	123 100	166 900	246 200	348 300	355 900	378 800	371 800	458 500
Total Food Import	17 900	20 200	23 300	34 700	51 000	56 500	35 700	30 400	49 100	57 400
Total Exports	27 500	26 500	39 700	49 700	75 300	64 900	82 800	85 100	74 600	84 300

Source: As in Table III-4.